

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1328005-0

Total Deleted Page(s) = 2  
Page 160 ~ b3 - per IRS;  
Page 385 ~ b3 - per IRS;

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X Deleted Page(s) X  
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ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

#432859

PLAIN TEXT

10/23/61

TELETYPE

URGENT

TO SACS WASHINGTON FIELD ENC. (4)

LOS ANGELES  
SAN FRANCISCO  
ST. LOUIS  
NEW YORK

FROM DIRECTOR FBI

JOHN ALEX MC CONE, SPI. BUDED ~~NOVEMBER TWO~~ <sup>OCTOBER THIRTY</sup> NEXT. WHITE HOUSE HAS REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. BORN JANUARY FOUR, NINETEEN ZERO TWO, SAN FRANCISCO, CALIF., AND IS PAST CHAIRMAN AEC. SEE WHO'S WHO FOR BACKGROUND DATA. DUE TO PROMINENCE OF MC CONE, YOU SHOULD CONDUCT NO NEIGHBORHOOD INVESTIGATIONS WITHOUT PRIOR BUREAU AUTHORITY. CAREFULLY REVIEW URFILES FOR ANY SUBSEQUENT INFORMATION CONCERNING MC CONE AND MAKE CERTAIN THAT ALL NECESSARY RECONTACTS ARE MADE. CONDUCT THOROUGH INVESTIGATION COVERING CHARACTER, LOYALTY, GENERAL STANDING AND ABILITY, ACCOUNTING FOR ENTIRE ADULT LIFE. COMPLETE NAMES AND CURRENT ADDRESSES OF ALL CLOSE RELATIVES MUST BE ASCERTAINED BY ACTIVE INVESTIGATION AND APPROPRIATE CHECKS MADE CONCERNING EACH. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT PERSONNEL TO INSURE THAT BUDED

<sup>OCTOBER THIRTY</sup> ~~OF NOVEMBER TWO~~ NEXT IS MET WITHOUT FAIL. IF POOR FINANCIAL

FEDERAL BUREAU OF INVESTIGATION

U. S. DEPARTMENT OF JUSTICE

DHY:111 COMMUNICATIONS SECTION

-5- OCT 23 1961

TELETYPE

MAIL ROOM ☐

TELETYPE UNIT ☒

NOTE: Request received telephonically 10/23/61 from White House.

OCT 25 1961

BACKGROUND ON PART OF APPOINTEE IS DEVELOPED DURING INVESTIGATION,  
YOU MUST MAKE SPECIFIC INQUIRY TO DETERMINE WHETHER ANY TAX LIENS  
HAVE BEEN FILED AGAINST HIM, AND THE RESULTS OF ANY LITIGATION  
INVOLVING NONPAYMENT OF OBLIGATIONS, EITHER PUBLIC OR PRIVATE.

*DEADLINE MUST BE MET.*

FEDERAL BUREAU OF INVESTIGATION

U. S. DEPARTMENT OF JUSTICE

COMMUNICATIONS SECTION

OCT 23 1961

TELETYPE

734M

- 2 -

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
OCT 23 1961

TELETYPE

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4 BJA/DFW  
I 432859

URGENT 10-23-61 7-34 PM RAM

TO SACS WASHINGTON FIELD, LOS ANGELES, SAN FRANCISCO, ST. LOUIS  
& NEW YORK

FROM DIRECTOR 2 P

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. WHITE HOUSE HAS REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. BORN JANUARY FOUR, NINETEEN ZERO TWO, SAN FRANCISCO, CALIF., AND IS PAST CHAIRMAN AEC. SEE WHO/S WHO FOR BACKGROUND DATA. DUE TO PROMINENCE OF MC CONE, YOU SHOULD CONDUCT NO NEIGHBORHOOD INVESTIGATIONS WITHOUT PRIOR BUREAU AUTHORITY. CAREFULLY REVIEW URFILES FOR ANY SUBSEQUENT INFORMATION CONCERNING MC CONE AND MAKE CERTAIN THAT ALL NECESSARY RECONTACTS ARE MADE. CONDUCT THOROUGH INVESTIGATION COVERING CHARACTER, LOYALTY, GENERAL STANDING AND ABILITY, ACCOUNTING FOR ENTIRE ADULT LIFE. COMPLETE NAMES AND CURRENT ADDRESSES OF ALL CLOSE RELATIVES MUST BE ASCERTAINED BY ACTIVE INVESTIGATION AND APPROPRIATE CHECKS MADE CONCERNING EACH. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT PERSONNEL TO INSURE THAT BUDED OF OCTOBER THIRTY NEXT IS MET WITHOUT FAIL. IF POOR FINANCIAL BACKGROUND ON PART OF APPOINTEE IS  
END PAGE ONE

PAGE TWO

DEVELOPED DURING INVESTIGATION, YOU MUST MAKE SPECIFIC INQUIRY TO DETER-  
MINE WHETHER ANY TAX LIENS HAVE BEEN FILED AGAINST HIM, AND THE  
RESULTS OF ANY LITIGATION INVOLVING NONPAYMENT OF OBLIGATIONS, EITHER  
PUBLIC OR PRIVATE. DEADLINE MUST BE MET.

END & ACK PLS

SF OK FBI ~~SF~~ WM

SL OK FBI ~~SL~~ EMR

TU DISC

M

Federal Bureau of Investigation  
Records Branch

, 19\_\_

<input type="checkbox"/>	Name Searching Unit - Room 6527
<input type="checkbox"/>	Service Unit - Room 6524
<input type="checkbox"/>	Forward to File Review
<input type="checkbox"/>	Attention _____
<input checked="" type="checkbox"/>	Return to <u>Sup. M. Burke</u> 1262
	Supervisor Room Ext.

## Type of References Requested:

<input type="checkbox"/>	Regular Request (Analytical Search)
<input checked="" type="checkbox"/>	All References (Subversive & Nonsubversive)
<input type="checkbox"/>	Subversive References Only
<input type="checkbox"/>	Nonsubversive References Only
<input type="checkbox"/>	Main _____ References Only

## Type of Search Requested:

<input type="checkbox"/>	Restricted to Locality of _____
<input type="checkbox"/>	Exact Name Only (On the Nose)
<input type="checkbox"/>	Buildup <input type="checkbox"/> Variations

Subject John Aley McCone  
 Birthdate & Place 11/4/02 San Fran.  
 Address DEADLINE

Localities Utah 1958 1961

R# 29 Date 10 OCT 21 1961 Searcher 2812 Initials 2812

Prod. 2812 2812

FILE NUMBER SERIAL

<del>ND I</del>	77-40957	
<del>ND I</del>	116-182387	
<del>ND I</del>	62-82221-1894	
<del>ND I</del>		1906
<del>LT I</del>	77-40957-158	Sum 9/27/61
<del>LT I</del>	77-40957-62	Sum 9/11/55
<del>ND</del>	80-160-405	SP. FILE ROOM 1315215 D. J. F. B. Source
<del>ND</del>	62-80750-3842	
<del>ND</del>	ALL INFORMATION CONTAINED	3834
<del>ND</del>	HEREIN IS UNCLASSIFIED	3240
<del>ND</del>	DATE 3-22-02 BY SP-4 BJA/NDP	3843
<del>ND</del>	#432859	3845
<del>ND I</del>	62-80750-A	1/11/61 Sum 9/27/61
<del>ND I</del>		Sum. Sh. 9/27/61
<del>ND I</del>	62-82221-2041	
<del>ND I</del>		2038
<del>ND I</del>		2016
<del>ND I</del>		1961

## NUMEROUS REFERENCE

## SEARCH SLIP

Subj: John A. Day, Malone

Supervisor \_\_\_\_\_ Room \_\_\_\_\_

R# 29 Date 10/24 Searcher Initial Exp

Prod. \_\_\_\_\_

FILE NUMBER

SERIAL

John A

NDI 62-82221-1915

NDI 2048

NDI 2054

NDI 62-82221-A Atomic Energy

(note on card) Commission 10/12/60

NDI 62-106778-A 5/12/60

Wash Capital News Service

NDI 63-1423-99

✓ I 65-66219-34 hand

✓ I 33 hand

NDI 94-48326-12

NDI 100-480791-1

NDI 105-42300-1406

NDI 105-41040-100

NDI 117-1852-A 9/19/58

Wash Capital News Service

JohnNR 7-87 ~~HS~~ (439) R607

NDI 62-82221-1998

NDI 62-104763-68

NDL 62-80750-3825

NDI Sp. File from 1351B D.I.V. 100-428091-554

R607 760

## NUMEROUS REFERENCE

## SEARCH SLIP

Subj: John, Alex. McCono

Supervisor \_\_\_\_\_

Room \_\_\_\_\_

R# 29 Date \_\_\_\_\_

Searcher \_\_\_\_\_

Initial \_\_\_\_\_

Prod. \_\_\_\_\_

FILE NUMBERSERIAL~~NDI~~John  
100-354445-34X3~~NDI~~

100-351585-A

~~NDI~~

Even Star. 10/13/59 ✓

~~NDI~~

105-13802-66

~~NDI~~

116-442786-33

~~NDI~~Ja.  
62-82221-2082

10

10/6/61

AIRTEL

AIR MAIL

TO: DIRECTOR, FBI  
FROM: SAC, SAN FRANCISCO (77-2520)

JOHN A. MC CONE *JOHN ALEX MC CONE*  
INFORMATION CONCERNING

Re mytel 10/5/61 captioned "RALPH P. FLEGAL,  
CIVIL RIGHTS MATTER."

FLEGAL contacted today and asked about the information he had regarding JOHN A. MC CONE. He stated that he had met the Attorney General at San Francisco International Airport on 10/6/61 and had furnished the Attorney General with the complete details in a type-written manuscript. He stated that the information concerned MC CONE's business practices during World War II. FLEGAL stated that it was his opinion that some of MC CONE's business practices, although legal, were not in the true spirit of a patriotic American, and in his opinion they bordered on war profiteering.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW

U 432859

3 - Bureau (AM)  
2 - San Francisco  
1 cc: 44-375 (FLEGAL)  
1 cc: 88-807 (AG VISIT)

GAM:cmr  
(6)

1161-1709  
NOT RECORDED  
150 DEC 5 1961

62 DEC 7 1961

ORIGINAL COPY FILED IN 77-40959-162

UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. Belmont

DATE: December 6, 1961

FROM : W. C. Sullivan

SUBJECT: SUDDEN DEATH OF MRS. JOHN A. McCONE,  
WIFE OF JOHN A. McCONE, DIRECTOR OF  
CENTRAL INTELLIGENCE AGENCY

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Evans \_\_\_\_\_  
 Malone \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Ingram \_\_\_\_\_  
 Gandy \_\_\_\_\_

Liaison just learned of the sudden death of Mrs. McCone at 8:00 a.m. today. According to James Hunt, Central Intelligence Agency, Mrs. McCone suffered from a "24-hour virus infection" over the Thanksgiving weekend; however, she reportedly had overcome this illness. Mr. Hunt attended a dinner party with the McCones last night and while sitting next to Mrs. McCone was told that she was again feeling much better and was in good health.

It is reported that Mr. McCone found his wife at 7:10 a.m. unconscious in her bedroom and she passed away at 8:00 a.m. en route to the hospital.

ACTION:

There is attached for approval a letter to Mr. McCone offering the Director's condolence in this situation.

Enclosure

MWK:mls (8)  
 1-Mr. Belmont  
 1-Mr. Mohr  
 1-Mr. Sullivan  
 1-Mr. DeLoach  
 1-Mr. Papich  
 1-Mr. Kuhrtz  
 1-Liaison

REC-31

MCT-32

25 DEC 8 1961

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DRW

1E 432859

57 DEC 13 1961

UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. Sullivan *Wcho*DATE: December 6, 1961 *Wcho*FROM : R. O. L'Allier *L'*SUBJECT: MRS. JOHN A. MC CONE *Deceased*

Tolson	_____
Belmont	_____
Mohr	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Malone	_____
Rosen	_____
Sullivan	<input checked="" type="checkbox"/>
Tavel	_____
Trotter	_____
Tele. Room	_____
Ingram	_____
Gandy	_____

*for*  
 Mrs. John A. McCone, 53, wife of the Director of the Central Intelligence Agency (CIA) died at 7:00 a.m., today in an ambulance en route from her home at 3025 Whitehaven Street, Northwest, to George Washington University Hospital. Cause of death was apparently a heart attack.

*Washington, DC*

Her funeral will be tomorrow December 7, 1961, at 11:00 a.m. at St. Thomas Apostle Catholic Church, 2665 Woodley Road, Northwest. Burial will be in San Marino, California.

Since Mr. McCone is the Chairman of the United States Intelligence Board (USIB), on which the Bureau has representation, it is felt that the Bureau should be represented at the funeral tomorrow.

ACTION:

SA L'ALLIER

As the Bureau alternate on USIB, I will attend the funeral unless I hear to the contrary.

1-Mr. Belmont  
 1-Mr. Sullivan  
 1-Mr. DeLoach  
 1-Mr. Kuhrtz  
 1-Liaison

ROL:mdg (6)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/OPW

432859

EX-113

64 DEC 14 1961

REC-12

161-1709-4

25 DEC 8 1961

DEC 16 3 30 PM '61

DIRECTOR

December 6, 1961

1-Original  
1-yellow; 1-Belmont;  
1-Mohr; 1-Sullivan;  
1-DeLoach; 1-Papich;  
1-Kuhrtz; 1-Liaison

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4BJA/DFW  
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BY COURIER SERVICE

Honorable John A. McCone  
3025 Whitehaven Street, Northwest  
Washington, D. C.

My dear Mr. McCone:

I was greatly saddened to learn of  
the sudden passing of your wife this morning,  
and I want you to know that you have my deepest  
sympathy.

If there is anything at all that my  
associates and I can do to help you at this time,  
I hope you will let me know at once.

Sincerely yours,  
J. EDGAR HOOVER

BY COURIER SVC.  
34 DEC 6  
COMM-FBI

mwk:mls (9) *rej*

(Cover memo Sullivan to Belmont 12/6/61  
RE: SUDDEN DEATH OF MRS. JOHN A. MCCONE,  
WIFE OF JOHN A. MCCONE, DIRECTOR OF CIA  
MWK:mls)

- Tolson
- Parsons
- Mohr
- Belmont
- Callahan
- Conrad
- DeLoach
- Evans
- Malone
- Rosen
- Tavel
- Trötter
- W.C. Sullivan
- Tele. Room
- Ingram
- Gandy

MAIL ROOM ☐ TELETYPE UNIT ☐

DEC 6 2 20 PM '61  
REC'D-READING ROOM  
FBI

REC-4

DEC 2

19 DEC 11 1961

66 DEC 13 1961

UNITED STATES GOVERNMENT

# Memorandum

TO : MR. BELMONT

DATE: October 23, 1961

FROM : C. A. EVANS

SUBJECT: JOHN A. MC CONE  
SPECIAL INQUIRY - WHITE HOUSE

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Ingram \_\_\_\_\_  
Gandy \_\_\_\_\_

Mr. P. Kenneth O'Donnell, Special Assistant to the President, has today requested a copy of the previous Special Inquiry summary prepared during the Eisenhower Administration on John A. McCone who has been named as the new Director of the Central Intelligence Agency; and in addition, has requested that this investigation be brought up to date. The previous summary on McCone was dated June 30, 1958.

This is being referred to the field for immediate attention and will be handled on the most expeditious basis possible.

NOT RECORDED  
JAN 10 1962

CAE:LS  
(6)

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HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY

II 432859

SP4 BJA/DFW

Ordained  
Tel to LA, SF  
w/ps, LA, SF  
ST. Louis  
10/23/61  
DHV:ellb

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Courtney Evans

FROM : Kenneth O'Donnell

SUBJECT: McCONE, John A.

DATE: Oct. 23, 1961

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DPW  
# 432859

Would you send me a copy of the previous report on the  
above-named individual. Attached is background information  
on Mr. McCone. Would you also bring this report up to date.

REC'D DEPT OF JUSTICE

REC-75

1-1209-7  
16 JAN 18 1962

ENCLOSURE

201-108

100-108

Order  
Relate  
info to  
at 10:30  
10/3/61  
DHY: R

ALL INFORMATION CONTAINED *in this envelope*  
HEREIN IS UNCLASSIFIED  
DATE *22802* BY *SP4BJA/DFW*  
*IL 432859*

*161-2702-7*

ENCLOSURE

~~CONFIDENTIAL~~  
~~BACKGROUND INFORMATION~~

JOHN A. McCONE

John Alex McCone was born in San Francisco, California, January 4, 1902, son of Alexander J. and Margaret (Enright) McCone.

He was graduated by Los Angeles High School in Los Angeles and is an alumnus of the University of California, College of Engineering, Class of 1922.

Mr. McCone began his business career as construction engineer for Llewellyn Iron Works in 1922. In 1929 this company and others merged to form the Consolidated Steel Corporation. Mr. McCone served progressively as Construction Manager, Vice President in Charge of Sales, and Executive Vice President and Director of the Consolidated Steel Corporation.

In 1937 the Bechtel-McCone Corporation was organized and Mr. McCone became President and Director. The engineering firm engaged in the design, engineering and construction of petroleum refineries, power plants, and process plants throughout the United States, in South America, and in Arabia.

During World War II under the management of Bechtel-McCone Corporation, the Birmingham Aircraft Modification Center at Birmingham, Alabama, was designed, constructed and operated. This facility was the largest of its kind in the country and was responsible for the modification of B-24 and B-29 bombers and other combat aircraft.

Mr. McCone also was President and Manager of the California Shipbuilding Corporation, the second largest "emergency shipyard" in the United States during World War II. This company constructed 467 ships, including cargo vessels, tank ships and troop transports. Mr. McCone also was a director of Marinship Corporation (Sausalito, California), builder of 15 liberty ships and 78 turbo-electric T-2 tankers. He also served as a director of Oregon Shipbuilding Corporation.

In 1945 Bechtel-McCone increased their ownership of the Joshua Hendy Iron Works of Sunnyvale, California, and Mr. McCone became President of this company, which produced many types of heavy machinery and equipment including propulsion units for Liberty and Victory ships, reduction gears, heavy equipment for reclamation projects, diesel engines, etc. This

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DATE 2-28-02 BY SP4BJA/DRW

II 432859

oath of office at the White House and was designated Chairman of the Commission by the President.

In the Los Angeles community Mr. McCone has served on various boards and committees, including the Board of Trustees of California Institute of Technology, Board of Regents of Loyola University, the Welfare Federation of Los Angeles (Community Chest), Hollywood Turf Club Associated Charities, Air Pollution Board, and various philanthropic organizations. He was one of the organizers and President of the Los Angeles World Affairs Council.

Mr. McCone is a member of Phi Kappa Sigma Fraternity, the California Club and the Los Angeles Country Club in Los Angeles, the Pacific Union Club in San Francisco, the Links Club in New York, and the Burning Tree and Metropolitan Clubs in Washington, D. C.

Mr. McCone married Miss Rosemary Cooper on June 21, 1923. Their California residence is at 1100 Oak Grove Avenue, San Marino.

Commission, which report survival in the air age, published in 1948, served as a basis for the nation's air policy for several years.

During 1948 Mr. McCone served as Special Deputy to Secretary of Defense James Forrestal, and in this capacity was responsible to the Secretary of Defense for the preparation of the first and second budgets of the newly formed Department of Defense.

In June 1950 Mr. McCone was appointed Under-Secretary, Department of the Air Force, with primary responsibility for the procurement of new aircraft and the construction of air bases throughout the world. He retained this post until October 9, 1951.

Early in 1954, Secretary of State Dulles appointed Mr. McCone to the State Department's Public Committee on Personnel, which was formed particularly to survey the urgent requirement for increasing the effectiveness of the career services of the Department of State.

On June 6, 1958, President Eisenhower nominated Mr. McCone for a five-year term as a member of the Atomic Energy Commission. The nomination was approved by the United States Senate on July 9, and on July 14, 1958, Mr. McCone took the

company also owned and operated the Crocker-Wheeler Electric Manufacturing Company of Ampere, New Jersey.

Subsequently, a new corporation was formed and Mr. McCone became President of Joshua Hendy Corporation. This company, through its Pacific Tankers Division, has been actively engaged in the shipping business, operating tankers in world trade and cargo ships in the Pacific.

In 1948, Mr. McCone became Chairman of the Board of Directors of Pacific Far East Line, Inc., one of the largest western steamship companies flying the American flag.

He served as director of various banking and insurance corporations but has terminated all business officerships.

In addition to business activities, Mr. McCone has served the United States Government in several important capacities.

In 1947, he was a member of the President's Air Policy Commission "Survival in the Air Age" published

COMMUNICATIONS SECTION

OCT 25 1961

TELETYPE

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DATE 2-28-02 BY SP4 BJA/DFW

1432859

URGENT 10-25-61 11-28 AM GH

TO DIRECTOR, FBI AND SAC WASHINGTON FIELD

FROM SAC, ST. LOUIS 161-833

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. REBUTEL

OCTOBER TWO THREE LAST. APPOINTEE-S OPF FORWARDED ATOMIC  
ENERGY COMMISSION, WASH., D. C. OCTOBER SEVENTEEN, FIFTYEIGHT.

WFO BRING UP TO DATE. RUC.

END AND ACK PLS

V12-28 PM OK FB WA JA

TU DISC

Mr. Tolson \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. DeLoach \_\_\_\_\_  
Mr. Evans \_\_\_\_\_  
Mr. Malone \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Sullivan \_\_\_\_\_  
Mr. Tavel \_\_\_\_\_  
Mr. Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Ingram \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

NOT RECORDED

16 JAN 8 1962

TWO COPIES WFO

1-cc destroyed 11-27-61 w HB/yjl.

10/25/61

PLAIN TEXT

TELETYPE

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TO SACS LOS ANGELES  
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ATLANTA  
MEMPHIS  
OMAHA  
BUTTE  
ALBANY  
SALT LAKE CITY  
NEW YORK  
OKLAHOMA CITY  
WASHINGTON FIELD (BSM)

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DATE 2-28-82 BY SP4BJA/DFD

432859

FROM DIRECTOR FBI

JOHN ALEX MC CONE, SPI. BUDED OCT. THIRTY NEXT. WHITE HOUSE HAS REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. BORN JAN. FOUR, NINETEEN TWO, SF, CALIF.; IS PAST CHAIRMAN AEC. SEE WHO'S WHO FOR BACKGROUND DATA. SECURE COMMENTS OF FOLLOWING: SENATORS JOHN O. PASTORE, RHODE ISLAND; RICHARD B. RUSSELL, GEORGIA; CLINTON P. ANDERSON, NEW MEXICO; ALBERT GORE, TENN.; HENRY M. JACKSON, WASHINGTON; BOURKE B. HICKENLOOPER, IDAHO; HENRY

Tolson  
Belmont  
Mohr  
Callahan  
Conrad  
DeLoach  
Evans  
Malone  
Rosen  
Sullivan  
Tavel  
Trotter  
Tele. Room  
Ingram  
Gandy

DWORSHAK, IDAHO; GEORGE D. AIKEN, VERMONT; WALLACE F. JENNETT, UTAH;

NOTE: Permission to interview Senators named above **CLEAR** Mr. Wick this date. Above ~~Senators~~ are present or former members of Joint Committee on Atomic Energy when McCone was Chairman of the AEC or from McCone's home State of California. Their comments should be secured.

FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

MAIL ROOM

TELETYPE UNIT

OCT 25 1961

TELETYPE

TELETYPE

RE: JOHN ALEX MC CONE

THOMAS H. KUCHEL AND CLAIR ENGLE, CALIF. ALSO OBTAIN COMMENTS OF CONGRESS REPRESENTATIVES CHET HOLIFIELD, CALIF.; MELVIN PRICE, ILLINOIS; WAYNE N. ASPINALL, COLORADO; ALBERT THOMAS, TEXAS; CRAIG HOSMER, CALIF.; WILLIAM H. BATES, MASSACHUSETTS; JACK WESTLAND, WASHINGTON; AND FORMER REPRESENTATIVE CARL T. DURHAM, FORMER VICE CHAIRMAN, JOINT COMMITTEE ON ATOMIC ENERGY FROM NORTH CAROLINA. BE CERTAIN THAT APPROPRIATE NEWSPAPER MORGUES ARE REVIEWED CONCERNING APPOINTEE. SF SEE URFILE FORTYFOUR DASH THREE SEVEN FIVE. ADVISE IF FRANK MANN AND RALPH P. FLEGAL, MENTIONED IN URAIRTEL OF OCT. TWELVE NEXT, ARE IDENTICAL. CC OBTAIN CURRENT COMMENTS OF HAROLD CUTLIFF, INTERVIEWED DURING PREVIOUS INVESTIGATION. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT PERSONNEL TO INSURE THAT BUDED IS MET WITHOUT FAIL.

FEDERAL BUREAU OF INVESTIGATION<sup>2</sup> -  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
OCT 25 1961

TELETYPE

8-18-61

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
OCT 25 1961

TELETYPE

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HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4 BJA/DFW  
1432859

DEFERRED 10-25-61 8-18 PM RAM

TO SACS LOS ANGELES, SAN FRANCISCO, CHARLOTTE, BOSTON, DENVER,  
SPRINGFIELD, HOUSTON, ALBUQUERQUE, SEATTLE, ATLANTA, MEMPHIS,  
OMAHA, BUTTE, ALBANY, SALT LAKE CITY, NEW YORK, OKLAHOMA CITY  
& WASHINGTON FIELD

FROM DIRECTOR 2 P

JOHN ALEX MC CONE, SPI. BUDED OCT. THIRTY NEXT. WHITE HOUSE HAS  
REQUESTED THAT PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP TO  
DATE. BORN JAN. FOUR, NINETEEN TWO, SF, CALIF., IS PAST CHAIRMAN  
AEC. SEE WHO/S WHO FOR BACKGROUND DATA. SECURE COMMENTS OF FOLLOW-  
ING....SENATORS JOHN O. PASTORE, RHODE ISLAND, RICHARD B. RUSSELL,  
GEORGIA, CLINTON P. ANDERSON, NEW MEXICO, ALBERT GORE, TENN.,  
HENRY M. JACKSON, WASHINGTON, BOURKE B. HICKENLOOPER, IOWA, HENRY  
DWORSHAK, IDAHO, GEORGE D. AIKEN, VERMONT, WALLACE F. BENNETT, UTAH,  
THOMAS H. KUCHEL AND CLAIR ENGLE, CALIF. ALSO OBTAIN COMMENTS OF  
REPRESENTATIVES CHET HOLIFIELD, CALIF., MELVIN PRICE, ILLINOIS,  
END PAGE ONE

PAGE TWO

WAYNE N. ASPINALL, COLORADO, ALBERT THOMAS, TEXAS, CRAIG HOSMER, CALIF., WILLIAM H. BATES, MASSACHUSETTS, JACK WESTLAND, WASHINGTON, AND FORMER REPRESENTATIVE CARL T. DURHAM, FORMER VICE CHAIRMAN, JOINT COMMITTEE ON ATOMIC ENERGY FROM NORTH CAROLINA. BE CERTAIN THAT APPROPRIATE NEWSPAPER MORGUES ARE REVIEWED CONCERNING APPOINTEE. SF SEE URFILE FORTYFOUR DASH THREE SEVEN FIVE. ADVISE IF FRANK MANN AND RALPH P. FLEGAL, MENTIONED IN URAIRTEL OF OCT. TWELVE NEXT, ARE IDENTICAL. OC OBTAIN CURRENT COMMENTS OF HAROLD CUTLIFF, INTERVIEWED DURING PREVIOUS INVESTIGATION. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT PERSONNEL TO INSURE THAT BUDED IS MET WITHOUT FAIL.

END & ACK PLS

LA OK FBI LA DRV

AQ OK FBI AQ RGL

SE OK FBI SE MJB

SU OK FBI SU MCJ

BT OK FBI BT FJD

TU DISC

*mel*  
**DECODED COPY**

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Evans \_\_\_\_\_  
 Malone \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Ingram \_\_\_\_\_  
 Gandy \_\_\_\_\_

☒ **Radio**☐ **Teletype**  
*Sp. G. 12/25/61*

URGENT 10-25-61

TO DIRECTOR AND SAC WASHINGTON FIELD *leads*

FROM SAC NEW YORK

251605

JOHN ALEX MC GONE; SPI. BUDED OCTOBER 30 NEXT. RE BUREAU  
 TEL TO WASHINGTON FIELD OCTOBER 23 LAST. REVIEW OF NEW YORK  
 FILE REFLECTS INTERVIEWS IN PVIOUS INVESTIGATIONS OF  
 THOMAS K. FINLETTER PRESENTLY AMBASSADOR TO NATO AND ROSWELL  
 GILPATRIC PRESENTLY DEPUTY SECRETARY OF DEFENSE. WFO ATTEMPT  
 TO INTERVIEW FINLETTER AND GILPATRIC.

RECEIVED:

12:57 PM BMP

161-1707-10

NOT RECORDED

16 JAN 8 1962

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

1432859

Spec. 96

*1-cc destroyed 11-27-61 W42/B26*

2 CC WASHINGTON FIELD

10/25/61

TELETYPE

URGENT

TO: SAC, LOS ANGELES

FROM: SAC, SAN FRANCISCO (77-2520)

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. RE BUREAU  
TELETYPES OCTOBER TWENTYTHREE AND OCTOBER TWENTYFIVE. INQUIRY  
AT SENATOR KUCHEL'S OFFICE DISCLOSES HE IS PRESENTLY IN LOS  
ANGELES AND IS NOT EXPECTED TO RETURN TO THE NORTHERN CALIFORNIA  
AREA FOR APPROXIMATELY TWO WEEKS. HE CAN BE REACHED AT THE  
FEDERAL BUILDING IN LOS ANGELES, TELEPHONE MADISON FIVE SEVEN  
FOUR ONE ONE, EXTENSION ONE ONE THREE TWO. IT IS FURTHER NOTED  
THAT REPRESENTATIVES HOLIFIELD AND HOSMER ARE LOS ANGELES  
REPRESENTATIVES AND SHOULD BE INTERVIEWED BY LOS ANGELES. REGARDING  
SENATOR ENGLE IT IS NOTED THAT HE WAS RECENTLY INTERVIEWED IN  
LOS ANGELES IN CONNECTION WITH ANOTHER MATTER CAPTIONED HERBERT  
SIMON, SPI, LOS ANGELES FILE ONE SIX ONE DASH THREE EIGHT TWO,  
AND INQUIRY IN SAN FRANCISCO HAS DISCLOSED NO OFFICE FOR HIM  
IN THIS AREA. AIRMAIL COPY BUREAU.

1 - Bureau (AM)

1 - 77-2520

GMM:LMR #7

(2)

PRICE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

432859

NOT RECORDED

8 OCT 27 1961

10-25-61

PLAIN

TEXT

TELETYPE

URGENT

TO: SAC, WASHINGTON FIELD

FROM: SAC, HOUSTON (161-79)

JOHN ALEX MCCONE. SPT. BUDED: OCTOBER THIRTY SIXTY ONE.

RE: BUREAU TELETYPE TO LOS ANGELES, OCTOBER TWENTY FIVE  
SIXTY ONE. U. S. REPRESENTATIVE ALBERT THOMAS, CAN BE  
CONTACTED THROUGH OCTOBER TWENTY EIGHT SIXTY ONE AT SUITE  
TWO ONE TWO, OLD HOUSE OFFICE BUILDING, WASHINGTON, DC.

INTERVIEW.

-RUC-

1-CC: BUREAU

10/27/61

(2)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW

11432859

161-1709-12  
NOT RECORDED

8 OCT 30 1961

Spec. Agent

10/26/61

PLAIN TEXT

TELETYPE

URGENT

TO: SACS LOS ANGELES AND KANSAS CITY

FROM: SAC, SAN FRANCISCO (77-2520)

*new  
finger  
point*

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. RE BUREAU  
TELETYPES OCTOBER TWENTYTHREE AND OCTOBER TWENTYFIVE LAST. FOR  
INFORMATION KANSAS CITY, WHITE HOUSE HAS REQUESTED PREVIOUS  
INVESTIGATION OF MC CONE BE BROUGHT UP TO DATE. BORN JANUARY  
FOUR, NINETEEN TWO, SF, CALIFORNIA. PAST CHAIRMAN AEC. SEE  
WHO'S WHO FOR BACKGROUND. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS  
ATTENTION AND SET OUT LEADS BY TELETYPE. ASSIGN TO SUFFICIENT  
PERSONNEL TO INSURE THAT BUDED IS MET WITHOUT FAIL. NEWSPAPER  
FILES DISCLOSE THAT IN EARLY NINETEEN SIXTYONE MC CONE REPORTED  
TO HAVE BEEN ELECTED MEMBER OF BOARD OF DIRECTORS OF FIRST-  
AMERICA CORP., LOS ANGELES, AND TRANS WORLD AIRLINES, KANSAS  
CITY. LOS ANGELES AND KANSAS CITY HANDLE. *new*

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

II 432859

1 - San Francisco

1 - Bureau (AM)

GNM/jae

(2)

NOT RECORDED

16 OCT 30 1961

OCT 30 4 20 PM '61

RECEIVED FBI

*161-1707-13*  
*[Signature]*

F B I

Date: 10/26/61

Transmit the following in PLAIN  
(Type in plain text or code)Via TELETYPE URGENT  
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, FBI AND SAC, HOUSTON

FROM: SAC, WFO (77-26669)

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. REPRESENTATIVE  
ALBERT THOMAS INTERVIEWED AT WASHINGTON, D.C., THIS DATE AND  
RECOMMENDS HIGHLY. P.

- ② - Bureau  
2 - Teletype Unit  
1 - WFO

FTH/bm  
(5)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4B5A/DFW

D432859

TELETYPE

161-1709-14

NOT RECORDED

16 JAN 8 1962

Spec. Agent

OCT 26 10 15 AM '61  
FBI

OCT 26 10 15 AM '61

1-cc destroyed 11-27-61 WTB/lyl

Approved: [Signature]  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

*No action  
10/26/61  
JEP*

# DECODED COPY

*MR*

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Ingram \_\_\_\_\_  
Gandy \_\_\_\_\_

☒ **Radio**

☐ **Teletype**

*26. 10/26/61  
1300  
100*

~~URGENT~~ 10-26-61

TO DIRECTOR

FROM SAC DENVER

262140

JOHN ALEX MC CONE, SPECIAL INQUIRY. REURTEL DATED OCTOBER 25 LAST. CONGRESSMAN WAYNE ASPINALL ON SPEAKING TOUR, EXPECTED TO RETURN GRAND JUNCTION OCTOBER 30. WILL BE INTERVIEWED THAT DATE AND REPORT SUBMITTED TO REACH BUREAU BY NOVEMBER 2 NEXT.

RECEIVED:

7:13 PM

EJG

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

0432859

161-1709-15

NOT RECORDED

16 JAN 8 1962

*1-cc Lestrade 11-27-61 WAB/SL*

*10/26/61*  
FBI  
OCT 27 2 08 PM '61  
RECEIVED-RAVUE

*Spec*

F B I

Date: 10/26/61

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL \_\_\_\_\_  
(Priority or Method of Mailing)

To Director, FBI  
From SAC, Atlanta (161-97)  
Re JOHN ALEX McCONE  
SPI  
BUDED 10/30/61

ReButel to Los Angeles 10/25/61.

BARBARA RAESLY, personal secretary of Senator RICHARD B. RUSSELL, Winder, Ga., advised he is out of the country and return date to Washington or Winder is unknown.

UACB Atlanta will follow this matter closely and interview Senator RUSSELL upon his return to Winder. WFO should also follow this matter in the event Senator RUSSELL returns to Washington before he arrives in Georgia.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW

432859

- 3 - Bureau (AM)  
2 - WFO (AM)  
2 - Atlanta

COK/hs  
(7)

NOT RECORDED

10 OCT 27 1961

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

10/27/61

Airtel

To: SAC, Denver

From: Director, FBI

JOHN ALEX MC CONE  
SPI

Reurad October 26, last. When Representative Aspinall is interviewed, sutel his comments in report language suitable for dissemination followed by report.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

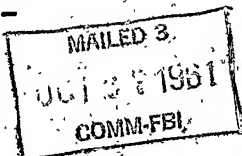
DATE 2-28-02 BY SP4 BJA/DRW

# 432859

WHB:sa

- 4 -

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Ingram \_\_\_\_\_  
Gandy \_\_\_\_\_



MAIL ROOM ☒ TELETYPE UNIT ☐

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
OCT 26 1961

TELETYPE

Mr. Tolson \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. DeLoach \_\_\_\_\_  
Mr. Evans \_\_\_\_\_  
Mr. Malone \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Sullivan \_\_\_\_\_  
Mr. Tavel \_\_\_\_\_  
Mr. Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Ingram \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW

#432859

URGENT 10-26-61 11-24 AM PST VEG

TO DIRECTOR, FBI

FROM SAC, SAN FRANCISCO /77-2520/ 1P

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY NEXT. RE BUREAU TELETYPES OCTOBER TWENTYTHREE AND OCTOBER TWENTYFIVE LAST. RE SAN FRANCISCO FILE FOUR FOUR DASH THREE SEVEN FIVE CONCERNING RALPH P. FLEGAL AND FRANK MANN. SAN FRANCISCO LETTER TO BUREAU OCTOBER TWENTYFIVE LAST CAPTIONED FRANK MANN, THREE ZERO FOUR NEWTON AVENUE, OAKLAND, CALIFORNIA, REPORTS THAT NEIGHBORHOOD INVESTIGATION IN THE VICINITY OF THREE ZERO FOUR NEWTON AVENUE DISCLOSED NEIGHBORS KNOW NO ONE NAMED FRANK MANN AT THAT ADDRESS AND THAT THE RESIDENCE IS OCCUPIED BY FLEGAL AND HIS MOTHER. PHONE AT THAT ADDRESS IS LISTED TO MRS. R. FLEGAL. NO POLICE OR CREDIT RECORD LOCATED AT OAKLAND FOR MANN. IN VIEW OF APPARENT MENTAL CONDITION OF FLEGAL AND INASMUCH AS HE HAS PREVIOUSLY FURNISHED ALL INFORMATION HE HAD CONCERNING MC CONE TO THE ATTORNEY GENERAL, HE WILL NOT BE REINTERVIEWED IN THIS MATTER AND HIS CONTACTS WITH THIS OFFICE WILL NOT BE REPORTED IN SAN FRANCISCO REPORT UACB.

END AND ACK PLS

3-29 PM OKAFBI WAWWS

TU DISCND

3 20 11.01

DECEMBER 1961

161-1709-17  
NOT RECORDED

16 JAN 8 1962

Spec Ind

1-cc destroyed 11-27-61 WAB/Bjz

F B I

Date: 10-26-61

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL AIRMAIL  
(Priority or Method of Mailing)

TO : DIRECTOR, FBI

FROM: SAC OKLAHOMA CITY (161-73) -RUC-

JOHN ALEX MC CONE

SPI

BUDED: 10-30-61

Reurtel 10-25-61.

Inquiry at Tulsa, Oklahoma showed HAROLD CUTLIFF STUART to be temporarily in Frankfort, Kentucky and teletype sent Louisville requesting he be interviewed. No report being submitted UACB.

③-Bureau  
1-Oklahoma City

HAO:CG

(4)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW

II 432859

161-1709-18  
NOT RECORDED

9 OCT 28 1961

Approved: \_\_\_\_\_

Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

2-cc destroyed 11-27-61-WAB/jyl

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>SALT LAKE CITY</b>	Office of Origin <b>BUREAU</b>	Date <b>10/26/61</b>	Investigative Period <b>10/26/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		Report made by <b>ASAC HEBER M. CLEGG</b>	Typed By: <b>men</b>
		CHARACTER OF CASE  <b>SPI</b>	

XXXXXX

REFERENCE: Bureau teletype, 10/25/61.

-RUC -

## ADMINISTRATIVE:

Review of Who's Who, the files of this office and the interview of Senator BENNETT failed to indicate any investigation this division other than that set forth in this report.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4 BJA/DFW  
#432859

Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below	
Copies made:		161-1709-19	
① - Bureau - AIR MAIL 1 - Salt Lake City (161-42)  OCT 30 11 20 AM '61 RECEIVED FBI		NOT RECORDED OCT 30 1961	

-A\*-  
COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: ASAC HEBER M. CLEGG  
Date: 10/26/61  
Office: SALT LAKE CITY, UTAH  
Field Office File No.: 161-42  
Bureau File No.:  
Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4 BJA/OFW  
# 432859

## Synopsis:

Senator BENNETT believes McCONE to be dedicated patriot, brilliant intellect, above reproach in his personal life, and not known to have associated with any person or group considered disloyal or disreputable.

-RUC-

## DETAILS:

U. S. Senator WALLACE F. BENNETT, 65 West 1st South, Salt Lake City, Utah, advised it was a pleasure for him to furnish his comments on JOHN ALEX MC CONE. They have known each other approximately twelve years, during which time both were in Washington, D. C. They have had very frequent contact in government circles and have been associated socially on a limited basis.

Mr. McCONE served the government under both the TRUMAN and EISENHOWER administrations with distinction. He is a dedicated patriot to the United States, brilliant intellect, fair in all his dealings, above reproach in his personal life, outstanding in executive and administrative ability, truthful, dependable, and a tireless worker. He is not known to have associated with any person or group considered disloyal or disreputable.

SU 161-42

The Senator has had only limited contact with Mrs. McCONE whose patriotism and character are in harmony with those of her husband.

The Senator is not acquainted with any other relative.

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <i>Springfield</i>	OFFICE OF ORIGIN <i>Bureau</i>	DATE <i>10-26-61</i>	INVESTIGATIVE PERIOD <i>10-26-61</i>
TITLE OF CASE  <i>JOHN ALEX MC CONE</i>		REPORT MADE BY <i>SA B. BRUCE BRADFORD</i>	TYPED BY <i>spb</i>
		CHARACTER OF CASE  <i>SPECIAL INQUIRY</i>	

REFERENCE:

Bureau teletype to Los Angeles, 10-25-61.

- RUC -

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4BJA/DFW  
# 432859

APPROVED  <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:  ① - Bureau 1 - Springfield (161-114)		161-1709-20 NOT RECORDED 4 OCT 27 1961	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS	
AGENCY.....	.....	.....	
REQUEST RECD.....	.....	.....	
DATE FWD.....	.....	.....	
HOW FWD.....	.....	.....	
BY.....	.....	.....	

A\*  
Cover Page

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: SA B. BRUCE BRADFORD  
Date: October 26, 1961

Office: Springfield

Field Office File No.: SI 161-114

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

## Synopsis:

Reference contacted 10-26-61 and states MC CONE's character, associates, reputation and loyalty are very satisfactory.

- RUC -

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4 BJA/DFW

432859

SI 161-114

DETAILS: AT EAST ST. LOUIS, ILLINOIS

The following investigation was conducted by SA B. BRUCE BRADFORD on October 26, 1961:

REFERENCE:

Honorable MELVIN PRICE, United States Congressman, representing the 24th Congressional District, was contacted at 426 North 8th Street and advised that he has been intimately acquainted with MC CONE for the past four years through his close contact work on Congressional matters. He states that hardly a week goes by that MC CONE does not have direct contact work with the Congressional committees on which Mr. PRICE serves. Previous to this he also knew MC CONE for what he described as "many years." He states that MC CONE's character, reputation and loyalty are above reproach and beyond question. He states that MC CONE is truly "one of the outstanding men in the country." He would not hesitate to recommend MC CONE for a position of highest trust with the United States Government. He also states that MC CONE's associates are of equal caliber and reputation. He advises that he knows MC CONE to be a highly energetic and industrious person.

There is no indication that MC CONE has ever resided in the Belleville and East St. Louis, Illinois, areas.

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE BOSTON	OFFICE OF ORIGIN BUREAU	DATE 10/26/61	INVESTIGATIVE PERIOD 10/26/61
TITLE OF CASE JOHN ALEX MC CONE		REPORT MADE BY CHARLES F. AHERN	TYPED BY pd
		CHARACTER OF CASE  SRI	

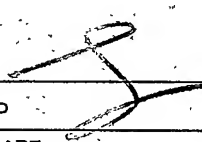
REFERENCE: Bureau teletype dated 10/25/61.

-RUC-

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4 BJA/DFW  
II 432859

*Batter (P) more  
Pastor, under R.V.*

A\*

APPROVED 	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: 1 - Bureau 1 - Boston (161-669)		161-170 <del>NOT RECORDED</del> OCT 27 1961	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS	
AGENCY			
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA CHARLES F. AHERN  
Date: 10/26/61

Office: Boston, Massachusetts

Field Office File No.: 161-669

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis:

Congressman WILLIAM H. BATES of Massachusetts and Senator JOHN O. PASTORE of Rhode Island commented favorably.

-RUC-

Details:

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 12-28-02 BY SP4 BJA/DFW  
432859

BS 161-  
HMT:gm

On October 26, 1961 Congressman WILLIAM H. BATES, United States Post Office, Salem, Massachusetts, advised SA HAROLD M. TOBIN that he has been acquainted with MC CONE for approximately ten years. He stated that he has known him as an Undersecretary of the Air Force and also in his capacity with the Atomic Energy Commission. He described him as enthusiastic, vigorous and sincere and stated that his character, reputation, loyalty and associates are above reproach. He recommended him highly for any position of trust and confidence.

On October 26, 1961, Honorable JOHN O. PASTORE, United States Senator from Rhode Island, Room 301, Post Office Annex, Providence, Rhode Island, advised SA HOMER E. WILBUR that as vice chairman of the Joint Committee of the Congress on Atomic Energy he has known appointee intimately since appointee became associated with the Atomic Energy Commission. He stated that appointee is an extremely able man of exemplary character whose patriotism is beyond reproach. He stated that in his opinion appointee is a fine administrator and an excellent public servant.

NA 10/28/61  
JFC

MT. 580

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
OCT 27 1961  
TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4BJA/DFW  
IL 432859

URGENT 10-27-61 NRB 6-59 PM

TO DIRECTOR AND SACS WASHINGTON FIELD AND SAN FRANCISCO  
FROM SAC LOS ANGELES 161-385

JOHN ALEX MC CONE. SPECIAL INQUIRY. RE BUTEL TEN

iml  
TWENTY THREE AND TEN TWENTY FIVE LAST. MISS MARY  
DEIHL SECRETARY TO JOHN A. MC CONE ADVISED MR. MC CONE  
AND HIS WIFE CURRENTLY RESIDE AT THREE ZERO TWO FIVE  
WHITEHAVEN STREET, NORTHWEST WASHINGTON, D.C. DEIHL  
ADVISED MC CONE-S ONLY BUSINESS CONNECTIONS SINCE  
TERMINATION OF AEC POSITION ONE TWENTY ONE SIXTY ONE  
ARE PRESIDENT PANAMA PACIFIC TANKERS, CHAIRMAN OF THE  
BOARD, JOSHUA HENDY CORPORATION, AND MEMBER OF THE  
BOARDS OF DIRECTORS OF STANDARD OIL COMPANY OF CALIFORNIA,  
TRANSWORLD AIRLINES, WESTERN BANCORPORATION, FIRST  
WESTERN BANK AND TRUST COMPANY AND PACIFIC MUTUAL LIFE  
INSURANCE COMPANY. MC CONE HAS SUBMITTED HIS RESIGNATION  
TO EACH OF THE FOREGOING TO BECOME EFFECTIVE PRIOR TO  
OR AS OF THE DATE HE ASSUMES HIS DUTIES WITH CIA. MISS  
END PAGE ONE

161-1709-22  
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16 JAN 8 1962

Spec. Agent

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PAGE TWO

DEIHL ADVISED MC CONE-S STATUS WITH STANDARD OIL OF CALIFORNIA CAN BE VERIFIED THROUGH MR. FOLLIS, STANDARD OIL OF CALIFORNIA, SAN FRANCISCO. MR. TERRANCE M. LEE WHO IS INTIMATELY ACQUAINTED WITH DETAILS OF MC CONE-S VARIOUS BUSINESS VENTURES IS CURRENTLY WITH MC CONE IN WASHINGTON, D.C. MC CONE REPORTEDLY WELL KNOWN TO ADMIRAL ARTHUR W. RADFORD AND ADMIRAL H.G. RICKOVER, BOTH WASHINGTON, D.C. REPEATED ATTEMPTS HAVE BEEN MADE TO ARRANGE INTERVIEWS WITH SENATORS ENGLE AND KUCHEL AT LOS ANGELES WITHOUT SUCCESS. EFFORTS TO ARRANGE INTERVIEWS CONTINUING AND IF NOT EFFECTED BY COB TEN TWENTY SEVEN PRESENT, LOS ANGELES REPORT WILL BE SUBMITTED TO REACH BUREAU BY DEADLINE DATE AND WILL BE FOLLOWED BY TELETYPE SUMMARY OF INTERVIEWS WITH ENGLE AND KUCHEL, UACB.

END ACK PLS

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FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION  
OCT 28 1961  
TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

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DATE 12-28-02 BY SP4BJA/DFW  
#432859

DEFERRED 10-27-61 NRB 8-40 PM

TO DIRECTOR AND SAC SAN DIEGO

FROM SAC LOS ANGELES 161-385

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED OCTOBER THIRTY  
FIRST NEXT. WHITE HOUSE HAS REQUESTED THAT PREVIOUS INVESTIGATION  
OF MC CONE BE BROUGHT UP TO DATE. HE IS PAST CHAIRMAN OF  
ATOMIC ENERGY COMMISSION. THE BUREAU INSTRUCTED THAT U.S.  
SENATOR THOMAS H. KUCHEL BE INTERVIEWED. INVESTIGATION  
AT LOS ANGELES, CALIFORNIA HAS DETERMINED THAT SENATOR  
KUCHEL IS ON SPEAKING ENGAGEMENTS AND WILL NOT RETURN TO  
LOS ANGELES UNTIL SOMETIME IN NOVEMBER, NINETEEN SIXTY ONE.  
KUCHEL-S SECRETARY AT LOS ANGELES ADVISED THAT SENATOR  
KUCHEL WILL BE AVAILABLE MONDAY MORNING OCTOBER THIRTY  
NEXT AT THE GRANT HOTEL, SAN DIEGO, CALIFORNIA. SAN DIEGO  
INTERVIEW SENATOR KUCHEL AND OBTAIN HIS COMMENTS CONCERNING  
JOHN A. MC CONE. LOS ANGELES REPORT SUBMITTED THIS DATE.

END ACK PLS

SD ADVISED

END 12-43 AM OK FBI WA HFL

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161-1709-23  
NOT RECORDED

16 JAN 8 1962

Spec. Inv.

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[unclear]

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>ALBANY</b>	Office of Origin <b>BUREAU</b>	Date <b>10-27-61</b>	Investigative Period <b>10-27-61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		Report made by <b>JOSEPH HOLIDAY</b>	Typed By: <b>PKS</b>
		CHARACTER OF CASE <b>SPI</b>	

XXXXXX

REFERENCE: Butel, 10-25-61.

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Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below	
Copies made:  1 - Bureau 1 - Albany (77-6009)  <i>[Signature]</i>		161-1709-24	
		NOT RECORDED	
		22 OCT 30 1961	
		<i>[Signature]</i>	

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: SA JOSEPH HOLIDAY  
Date: October 27, 1961

Office: Albany, New York

Field Office File No.: 77-6009

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

OCT 28 1961  
FBI ALBANY  
SP4 BJA/DRJ  
0432859

## Synopsis:

Senator GEORGE D. AIKEN, Putney, Vermont, highly recommends MC CONE in every respect.

- R U C -

## DETAILS:

AT PUTNEY, VERMONT

Senator GEORGE D. AIKEN on October 27, 1961, advised he has known Mr. MC CONE as a legislative associate for the past three years, during which time MC CONE was Chairman of the Atomic Energy Commission. He said he, during this period, was a member of the Joint Committee on Atomic Energy and further stated that Mr. MC CONE, as Chairman of the Atomic Energy Commission, without a doubt held one of the most responsible appointive positions in the Government and one of the most responsible securitywise. Senator AIKEN said there was no question in his mind concerning the loyalty of Mr. MC CONE and he would highly recommend him in every respect. He advised further that he did not know Mr. MC CONE socially and was at his home on only one occasion.

-1\*-

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>ALBUQUERQUE</b>	Office of Origin <b>BUREAU</b>	Date <b>10/27/61</b>	Investigative Period <b>10/26/61</b>
TITLE OF CASE  <b>JOHN ALEX McCONE</b>		Report made by <b>SA J. PHILLIP CLARIDGE</b>	Typed By: <b>fd</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

Synopsis:

REFERENCE: Bureau teletype to Los Angeles, San Francisco, Charlotte, Boston, Denver, Springfield, Houston, Albuquerque, Seattle, Atlanta, Memphis, Omaha, Butte, Albany, Salt Lake City, New York, Oklahoma City and WFO dated 10/25/61.

-RUC-

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DATE 2-28-02 BY SP4 BJA/DFW

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Approved <i>RSR</i>	Special Agent in Charge	Do not write in spaces below	
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		<b>NOT RECORDED</b> <b>5 OCT 30 1961</b>	

*Spec*

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA J. PHILLIP CLARIDGE  
Date: October 27, 1961

Office: ALBUQUERQUE

Field Office File No.: 161-73

Bureau File No.:

Title: JOHN ALEX McCONE

Character: SPECIAL INQUIRY

ALL INFORMATION CONTAINED  
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DATE 12-28-02 BY SP4BJA/DPW  
432859

Synopsis: U. S. Senator CLINTON P. ANDERSON of New Mexico, informs that he has known McCONE since 1947 or 1948; that McCONE is a person of fine character, very able, honest, and capable to work for the U. S. Government. Recommends him highly for any position in U. S. Government and has no unfavorable information and no reservations regarding his character, loyalty or associates.

-RUC-

DETAILSAT ALBUQUERQUE, NEW MEXICO:

CLINTON P. ANDERSON, U. S. Senator from New Mexico, Federal Office Building, commented on October 26, 1961, that he has known McCONE since 1947 or 1948 as being a public servant and working for the U. S. Government in various positions at different times. The Senator commented that he believes that he may have first become acquainted with McCONE when he, the Senator, was in the cabinet which was prior to 1947. He commented that McCONE was connected with the Secretary of the Air Force in the Truman Administration and commented that during 1957 and 1958 McCONE was chairman of the Atomic Energy Commission, at which time Senator ANDERSON was closely associated with McCONE. He related that during all of this association and acquaintanceship with McCONE he found him to be a person of very fine character, very able, honest and capable.

Senator CLINTON P. ANDERSON commented that he had been asked by President KENNEDY to contact McCONE in an effort to influence him to take his present position. Senator ANDERSON had the impression that McCONE was somewhat reluctant to take the

AQ 161-73

position as he had built a new home in California and wanted to enjoy it there. He related however, that McCONE did accept the position offered by President KENNEDY and pointed out that McCONE and President KENNEDY are of different political parties.

Senator ANDERSON concluded that he has no reservations whatsoever in recommending McCONE for any position with the U. S. Government as he considers him a serious, competent, up-right man who accepts his responsibilities to his Government and that he has no unfavorable information and no reservations regarding his character, loyalty or associates.

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>Seattle</b>	Office of Origin <b>Bureau</b>	Date <b>10-27-61</b>	Investigative Period <b>10-26-61</b>
TITLE OF CASE  <b>JOHN ALEX McCONE</b>		Report made by <b>SA EDWARD BREKKE</b>	Typed By: <b>Br</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

~~SECRET~~

REFERENCE:

Bureau teletype to Los Angeles, San Francisco, Charlotte, Boston, Denver, Springfield, Houston, Albuquerque, Seattle, Atlanta, Memphis, Omaha, Butte, Albany, Salt Lake City, New York, Oklahoma City and Washington Field dated 10-25-61.

STATUS:

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DATE 2-28-02 BY SP4 BJA/DFW

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Approved <i>gfe</i>	Special Agent In Charge	Do not write in spaces below	
Copies made: <b>1 - Bureau (AMSD)</b> <b>1 - Seattle (161-119)</b>		<b>161-1709-26</b>	
		<b>NOT RECORDED</b> <b>OCT 30 1961</b>	

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SE 161-119

The Honorable HENRY M. JACKSON, U. S. Senator from the State of Washington, was contacted at his office, 803 U. S. Court House, Seattle, Washington, on October 26, 1961. He advised he has known JOHN McCONE since he was appointed Chairman of the Atomic Energy Commission; that it was his opinion that McCONE was an excellent, hard, tough administration; that he was very personable and a very good man for sensitive type work. Senator JACKSON said that McCONE has the character and integrity he admires in a man and that which is needed to head the Central Intelligence Agency. Senator JACKSON pointed out that McCONE is a Republican and has worked in high government positions under the administrations of President Truman and President Eisenhower and that he had no reservation about McCONE and would recommend him highly for the position to which he was appointed by President KENNEDY.

A check of the Library of the Seattle Times and the Post Intelligencer, both daily newspapers in Seattle, Washington, was made on October 26, 1961. There was no local items contained in the files of JOHN ALEX McCONE of local interest.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: SA EDWARD BREKKE  
Date: October 27, 1961

Office: SEATTLE

Field Office File No.: SE 161-119

Bureau File No.:

Title: JOHN ALEX McCONE

Character: SPECIAL INQUIRY

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 2-28-02 BY SP4BJA/DFW

IL432859

## Synopsis:

Honorable HENRY M. JACKSON, U. S. Senator from State of Washington and JACK WESTLAND, Member of Congress, both recommend JOHN McCONE for position to which appointed and state he is man excellent character and a high degree of integrity and an excellent administrator. No local information contained in the library of the Seattle Times or the Post Intelligencer, daily newspapers in Seattle, Washington, pertaining to JOHN McCONE.

RUC

## DETAILS:

Investigation at Everett, Washington was conducted by Special Agent JOHN E. CONNOR.

On October 26, 1961 Representative JACK WESTLAND, Member of Congress, was interviewed at 2828 Rockefeller. He advised that he has known JOHN McCONE since McCONE became Chairman of the Atomic Energy Commission; that he has known him socially in their respective homes and has played golf with him also. He continued that he has also been associated with McCONE from an official point of view on government business and that he has the utmost regard for him as a man and as a government official. He added that he was real glad to see McCONE appointed to the present position as he considers him to be an excellent administrator and an individual who has the respect of "both sides of the aisle" on "Capitol Hill". He concluded that it is his opinion that the President could not have found a man of higher integrity than JOHN McCONE for this position.

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>SAN FRANCISCO</b>	Office of Origin <b>BUREAU</b>	Date <b>10/27/61</b>	Investigative Period <b>10/23/61 - 10/27/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		Report made by <b>GARY N. MAVITY</b>	Typed By: <b>mw</b>
		CHARACTER OF CASE  <b>SPI</b>	

## REFERENCES:

Bureau teletypes dated 10/23/61, and 10/25/61.  
San Francisco teletype to Los Angeles dated 10/25/61.  
San Francisco teletype to Bureau dated 10/26/61.  
San Francisco teletype to Los Angeles and Kansas City dated 10/26/61.

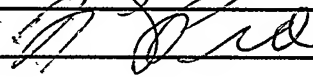
-RUC- ALL INFORMATION CONTAINED

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DATE 2-28-02 BY SP4 BJA/DPW  
#432859

## ADMINISTRATIVE:

Efforts were made during the course of this investigation to contact STEPHEN D. BECHTEL, SR., and KENNETH K. BECHTEL, both of whom were previously associated with MC CONE and both of whom have been interviewed in previous investigations. Neither was available for interview. It is noted that there is no indication that MC CONE has been associated with them since the previous investigation and no further efforts are being made to contact them.

Approved 	Special Agent in Charge	Do not write in spaces below	
Copies made:		161-1709-27	
1 - Bureau (AMSD)		NOT RECORDED	
1 - San Francisco (77-2520)		OCT 30 1961	

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA GARY N. MAVITY

Office: SAN FRANCISCO

Date: October 27, 1961

Field Office File No.: 77-2520

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis: MC CONE's mother-in-law continues to reside in San Francisco. No arrest record located for her and credit favorable. No credit or arrest record located for MC CONE at Berkeley, California, where he attended the University of California from 1918 to 1922. Newspaper libraries contain no unfavorable information concerning MC CONE.

-RUC-

DETAILS:

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 2-28-02 BY SP4BJA/DRW  
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SF 77-2520

GMM/smp

Mr. F. W. MARCUS, Assistant Manager, Huntington Hotel, 1075 California Street, on October 26, 1961, advised that Mrs. CHARLES (ELIZABETH) MONTAGUE, mother-in-law of JOHN A. MC CONE, continues to reside at that Hotel.

The Newspaper libraries of the San Francisco "Examiner", San Francisco "Chronicle", and the San Francisco "News-Call Bulletin" were reviewed on October 26, 1961, and no information pertinent to this investigation, subsequent to June, 1958, was located.

The following investigation was conducted by IC VERNON PICCINOTTI:

Records of the San Francisco Police Department, reviewed by Officer ANDREW MC CARTHY, on October 26, 1961, disclosed no information concerning ELIZABETH MONTAGUE.

Mr. FRANK J. MC AULAY, Supervisor of Files, San Francisco Retail Credit Association, on October 26, 1961, furnished a credit record for ELIZABETH R. MONTAGUE, wife of CHARLES L. MONTAGUE, deceased. The record indicates that as of 1950 she resided at the Huntington Apartments, 1075 California Street, San Francisco. CHARLES MONTAGUE was reported to have formerly been Assistant to the General Manager of Cananea Consolidated Cooper Company, Cananea, Sonora, Mexico for about 35 years, prior to 1947. All credit information was favorable.

AT OAKLAND, CALIFORNIA

The following investigation was conducted by SA DONALD E. LOVEJOY:

Miss JULIA VITARO, Secretary to EDGAR F. KAISER, President and Director, Kaiser Industries Corporation, 300 Lakeside Drive, on October 26, 1961, advised that EDGAR KAISER is presently on a trip in Africa and will not return to this area for about two weeks.

The following investigation was conducted by IC MORRIS POWER:

Mrs. EVELYN R. LUCY, Credit Bureau of the Greater East Bay, on October 26, 1961, advised she could locate no credit record for MC CONE. This agency covers Berkeley, California.

AT BERKELEY, CALIFORNIA

Records of the Berkeley Police Department October 26, 1961, disclosed no information concerning MC CONE. It is noted that MC CONE attended the University of California, Berkeley, from 1918 to 1922.

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>NEW YORK</b>	Office of Origin <b>BUREAU</b>	Date <b>10/27/61</b>	Investigative Period <b>10/24-26/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		Report made by <b>JOSEPH P. FINNEGAN</b>	Typed By: <b>ahd</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

REFERENCE:

Kansas City teletype to NY, 10/27/61.  
Butel to WFO, 10/23/61.

- P -

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DATE 3-20-02 BY SP4 BJA/DFW  
# 432859

ADMINISTRATIVE:

NY file 77-11802 and NY file 116-43369 contain prior investigations concerning JOHN ALEX MC CONE in 1958 and 1950 respectively.

Inquiry at Trans World Airlines, New York, New York, reflects Mr. ERNEST R. BREECH, Chairman of the Board, is presently out of the country and is not expected back until the latter part of November, 1961.

Approved <i>[Signature]</i>	Special Agent in Charge	Do not write in spaces below	
Copies made:  1-Bureau 1-New York (161-799)  <i>[Handwritten initials]</i>		11-1-1709-28	
		NOT RECORDED 10 OCT 30 1961	

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NY 161-799

X Miss HEILMANN, Secretary to Mr. CHARLES C. TINNINGHAST, Jr., President of Trans World Airlines, on 10/27/61 advised the earliest appointment she could arrange with Mr. TINNINGHAST was at 3:30 pm on 10/30/61.

LEAD

NEW YORK

Will interview Mr. TINNINGHAST on 10/30/61 and thereafter submit RUC report.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: JOSEPH P. FINNEGAN  
Date: 10/27/61

Office: NEW YORK

Field Office File No.: NY 161-799

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis: Appointee recommended as to ability,  
character, and loyalty by acquaintances  
in NYC area. NYC credit record clear;  
no arrest record.

P

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DATE 3-20-02 BY SP4BJA/DFW  
E 432859

NY 161-799

DETAILS:

Employment

Joshua Hendy Corporation  
407 Lexington Avenue  
New York, New York

Mrs. ROSE ANDERSON, Secretary-Clerk, Room 5004, advised on October 25, 1961 that Joshua Hendy Corporation maintains this office in New York, New York and she is the sole employee assigned here. From time to time company officials come to New York on business and use the office. She stated that the appointee has been Chairman of the Board of Directors since he resigned from the Atomic Energy Commission. During the time that he was in Washington, D. C. working for the federal government, he did not visit this office and Mrs. ANDERSON's contacts with him predated that period of employment. She described him as an energetic, efficient and pleasant person of good character and reputation and as a loyal American citizen.

Acquaintances

Mr. CHARLES SALTZMAN, Partner, Goldman, Sachs and Company, 20 Broad Street, New York, advised on October 24, 1961 that he had served with the appointee on the Department of State's Public Committee on Personnel in 1954 and has had no contact with him since then, but is aware of the appointee's activities.

NY 161-799

Mr. PAUL V. SHIELDS, 44 Wall Street, New York, advised on October 25, 1961 that he has continued to be in contact with the appointee since he was last interviewed in 1958; however, his contacts have been less frequent in the past two years than previously.

Mr. MOREHEAD PATTERSON, Chairman of the Board, American Machine and Foundry Corporation, 261 Madison Avenue, New York, advised on October 25, 1961 that he had served with the appointee on the Public Committee on Personnel and his principal association with the appointee has been confined to the activities of that committee which continued to meet on a semi-annual basis after it had submitted a report. Mr. PATTERSON also spends considerable time in Washington, D. C. and while the appointee was with the Atomic Energy Commission he would hear about him from mutual acquaintances and occasionally met him in that city.

Mr. CLYDE E. WEED, Chairman of the Board, Anaconda Corporation, 25 Broadway, New York, and Mr. HENRY D. MERCER, Chairman of the Board, States Marine Corporation, 90 Broad Street, New York, who were interviewed on October 24, 1961; and Mr. ROBERT L. CLARKSON, Chairman of the Board, American Express Company, Incorporated, 65 Broadway, New York, who was interviewed on October 25, 1961 by SA JOHN E. WARREN, advised that they have been close social acquaintances of the appointee and are in frequent contact with him. In addition, Mr. MERCER has had a business association with the appointee as their companies are both concerned with shipping interests.

These acquaintances highly recommended JOHN ALEX MC CONE for appointment as Director of the Central Intelligence Agency as an intelligent, energetic administrator and executive of proven ability in both business and government. They stated that he is a man of the highest type integrity and ethics and a completely discreet and trustworthy individual. He is a man who will handle this post with dedication and zeal. He is a completely loyal American citizen and his conduct, associates and reputation have always been above reproach.

NY 161-799

Mr. WEED, Mr. CLARKSON, Mr. SHIELDS, and Mr. MERCER, who are acquainted with the appointee's wife, stated that she is a fine person of excellent character, reputation, and associates, and a completely loyal American citizen. Inquiry of these individuals developed that they are the appointee's closest associates in the New York area.

NY 161-799

CREDIT

On October 25, 1961 Miss PAULINE DE FIORE, Clerk, Credit Bureau of New York, advised IC JOHN F. GOOD that her files contain information indicating a favorable credit record for the appointee and his wife in New York City and contained no additional pertinent information since previously checked in 1958.

ARREST

On October 25, and 26, 1961, SA DAVID G. JENKINS caused the records of the New York City Police Department to be checked by Deputy Inspector ARTHUR L. MORGAN, Bureau of Criminal Identification; Lieutenant JOSEPH H. McCABE, Information Unit; Lieutenant RICHARD A. MOUNT, Old Records Room (all of the above of the New York City Police Department); and Mr. JOSEPH TRUBIA, Fingerprint Bureau, Magistrate's Court, City of New York. No record identifiable with the appointee or his wife was located.

MISCELLANEOUS

The files of the "New York Times" Information Bureau, West 43rd Street, New York, as reviewed on October 24, 1961 contained no information pertinent to this inquiry.

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>BUTTE</b>	Office of Origin <b>BUREAU</b>	Date <b>10/27/61</b>	Investigative Period <b>10/27/61</b>
TITLE OF CASE  <b>JOHN ALEX McCONE</b>		Report made by <b>DAVID W. MURRAY</b>	Typed By: <b>imm</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

## REFERENCE

Bureau teletype to Los Angeles, 10/25/61

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		<b>NOT RECORDED</b> <b>10 OCT 31 1961</b>	

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: DAVID W. MURRAY  
Date: 10/27/61

Office: Butte, Montana

Field Office File No.: 161-61

Bureau File No.:

Title: JOHN ALEX McCONE

Character: SPECIAL INQUIRY

## Synopsis:

HENRY C. DWORSHAK, U. S. Senator, Boise, Idaho, first met JOHN ALEX McCONE during 1948, while McCONE was serving in some administrative capacity in the Executive Branch of the U. S. Government. From 1958 until January, 1961, DWORSHAK, a member of the Joint Congressional Committee on Atomic Energy, was in regular contact with McCONE, who was serving as Chairman of the Atomic Energy Commission. He developed a profound respect for McCONE as an administrator, leader and a person. He considers McCONE to be honest, dedicated, personable, capable, and a loyal patriotic American, whom he would recommend without reservation for any position of trust and responsibility with the U. S. Government.

- RUO -

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DETAILS

AT BOISE, IDAHO

On October 27, 1961, HENRY C. DWORSHAK, Senator for Idaho, 319 Bank of Idaho Building, commented as follows:

He first met JOHN ALEX McCONE during the year 1948, when McCONE, a successful executive in private industry, was serving in some administrative capacity in the Executive Branch of the U. S. Government. In the ensuing years, McCONE served in several administrative positions with the Executive Branch of the Government, as an appointee of both Democratic and Republican presidents. During 1958, McCONE was appointed Chairman of the Atomic Energy Commission and in this position DWORSHAK became personally acquainted with McCONE, inasmuch as DWORSHAK was serving as a member of the Joint Congressional Committee on Atomic Energy, which met regularly with McCONE and members of the Atomic Energy Commission.

DWORSHAK said this association generated a profound respect for McCONE's ability as an administrator, leader and a man. McCONE, with his tact and diplomacy, was able to work harmoniously with the committee and had the ability to control and guide both political sections. McCONE resigned in January, 1961, when a new administration took office at Washington, D. C.

McCONE, in DWORSHAK's opinion, is an honest, personable, dedicated, capable administrator, whose loyalty and patriotism are of the highest order. He said he would recommend McCONE without reservation for any position of trust and responsibility with the U. S. Government.

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>LOS ANGELES</b>	OFFICE OF ORIGIN <b>BUREAU</b>	DATE <b>10/27/61</b>	INVESTIGATIVE PERIOD <b>10/23 - 10/27/61</b>
TITLE OF CASE <b>JOHN ALEX MC CONE</b>		REPORT MADE BY <b>JAMES P. BENEDICT</b>	TYPED BY <b>gcw</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

REFERENCES: Bureau teletypes, 10/23 and 10/25/61  
 San Francisco teletypes, 10/25 and 10/26/61  
 Los Angeles teletype to Bureau, 10/27/61.

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APPROVED <i>WBS</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:  ① - Bureau 1 - Los Angeles (161-385)		161-1707-30 NOT RECORDED 8 OCT 30 1961	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS	
AGENCY		<i>Spec. Inq.</i>	
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

JAMES P. BENEDICT

Office: Los Angeles, California

Date:

10/27/61

Field Office File No.:

161-385

Bureau File No.:

Title:

JOHN ALEX MC CONE

Character:

SPECIAL INQUIRY

Synopsis:

Fellow employees and associates commented favorably and recommended. U. S. Senator CLAIR ENGLE, and U. S. Congressman CHET HOLIFIELD and CRAIG HOSNER commented favorably and recommended. No arrest record located for MC CONE or his immediate relatives. No credit information in addition to that previously reported disclosed.

-RUC-

DETAILS:

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

# 432859

LA 161-385

JPB:slb

DETAILS:

EMPLOYMENT

Joshua Hendy Corporation  
612 South Flower Street  
Los Angeles, California

On October 26, 1961, Miss MARY DEIHL, secretary to Mr. JOHN A. MC CONE, advised that Mr. MC CONE returned to the Joshua Hendy Corporation and Panama Pacific Tankers Corporation approximately February 1, 1961, following the termination of his position with the Atomic Energy Commission. She stated that upon his return he was elected President of the Panama Pacific Tankers Corporation and Chairman of the Board of the Joshua Hendy Corporation. Miss DEIHL stated that when Mr. MC CONE assumed duties with the Atomic Energy Commission in 1958, he severed all connections with all of his business interests, and upon his return to Los Angeles he affiliated himself only with Panama Pacific Tankers Corporation and Joshua Hendy Corporation and accepted positions on the Boards of Directors for the Standard Oil Company of California at San Francisco, California; the Trans World Airlines; Western Bancorporation, Los Angeles; the First Western Bank and Trust Company, Los Angeles; and the Pacific Mutual Life Insurance Company of Los Angeles. She stated that he was a member of the Executive Committee of the Board of Directors for Pacific Mutual Life Insurance Company. Miss DEIHL stated that Mr. MC CONE had submitted letters of resignation to each of the above companies, including Panama Pacific Tankers Corporation and Joshua Hendy Corporation, to become effective on or prior to the date he assumed his new position with the Central Intelligence Agency. Miss DEIHL stated that most of these resignations had been accepted by the various Boards of Directors. Miss DEIHL made available for observation copies of the various letters submitted by MC CONE.

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JPB:s1b

On October 26, 1961, W. C. RYAN, President, Joshua Hendy Corporation, and Vice President, Panama Pacific Tankers Corporation, advised that these two companies with regret accepted the resignation of JOHN A. MC CONE, effective the day prior to his assumption of his new duties with the Central Intelligence Agency. Mr. RYAN stated that Mr. MC CONE is a devoted public servant of the highest integrity, with outstanding administrative ability, and a man of exceedingly strong loyalty to the United States Government and the principles which it represents. He stated that Mr. MC CONE has in the past done an excellent job with the Panama Pacific Tankers Corporation and Joshua Hendy Corporation, and he knows he will do exceedingly well in administering the Central Intelligence Agency.

Mr. RYAN stated that following his resignation from the Atomic Energy Commission, Mr. MC CONE, although widely sought, accepted appointment to the Boards of Directors with Standard Oil Company of California; Trans World Airlines; Western Bancorporation, formerly known as First America Corporation; First Western Bank and Trust Company; and Pacific Mutual Life Insurance Company. He stated that he was elected President of the Panama Pacific Tankers Corporation and Chairman of the Board of the Joshua Hendy Corporation. Mr. RYAN stated that Mr. MC CONE has severed all relations with private enterprise. Mr. RYAN stated he would recommend Mr. MC CONE most highly for any position of trust and responsibility with the United States Government.

#### BUSINESS AND SOCIAL ACQUAINTANCES

On October 26, 1961, CHET HOLIFIELD, United States Congressman from the State of California, 2001 Lincoln Avenue, Montebello, California, advised that he considered JOHN A. MC CONE a most highly qualified person. He stated that he had the highest opinion of Mr. MC CONE's ability to properly administer the Central Intelligence Agency. He stated that during Mr. MC CONE's tenure as head of the Atomic Energy

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JPB:slb

Commissioner he, HOLIFIELD, was on the Joint Committee on Atomic Energy and through this position had association with him. He stated that there was no question in his mind whatsoever concerning the loyalty, integrity, reputation, associates, and devotion of Mr. MC CONE. He stated that, in his estimation, Mr. MC CONE is a desirable public servant, and he would highly recommend him for the position for which he is being considered.

On October 26, 1961, Mr. ASA V. CALL, Chairman of the Board, Pacific Mutual Life Insurance Company, 523 West Sixth Street, Los Angeles, advised that Mr. JOHN A. MC CONE served on the Executive Committee of the Board of Directors for this company between February, 1961, and the present time. He stated that ten days ago he received from Mr. MC CONE a letter of resignation, which will become effective prior to or on the day of assumption of Mr. MC CONE's duties with the Central Intelligence Agency. Mr. CALL recalled that he had been interviewed during a prior investigation concerning Mr. MC CONE, in 1958, and stated that "everything I said then still goes." He stated, in addition, that Mr. MC CONE is an extremely satisfactory administrator of the highest reliability and integrity. He stated there is absolutely no reason whatsoever to question his loyalty to the United States Government, and he would highly recommend him for the position for which he is being considered.

On October 27, 1961, FRANK L. KING, President, Western Bancorporation, 600 South Spring Street, Los Angeles, advised that Mr. MC CONE became a member of the Board of Directors of the Western Bancorporation in February, 1961. At that time the Western Bancorporation was known as the First America Corporation, but a merger was effected and the Western Bancorporation was formed as a holding company for the United California Bank. He stated that he had in his possession a letter of resignation from JOHN A. MC CONE, to become effective prior to or on the date of Mr. MC CONE's assumption of duties with the Central Intelligence Agency. Mr. KING

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stated that acceptance of this letter of resignation is presently pending, awaiting a special meeting of the Board of Directors of the Western Bancorporation. He stated that the resignation will be accepted automatically with a letter of regret.

On October 27, 1961, HERBERT L. HAHN, Attorney, Security Building, Pasadena, California, and a member of the Board of Trustees of the California Institute of Technology (CIT) at Pasadena, advised SA GILMER G. ROBINSON that his personal contacts with Mr. MC CONE have been limited to mutual relations in the past as members of the Board of Trustees of CIT. He stated that Mr. MC CONE resigned from the Board of Trustees when he assumed his duties as head of the Atomic Energy Commission in 1958, and he has had no connection with CIT since that time. He stated that Mr. MC CONE has done a remarkable job in his job as a public servant, and he feels that he will continue to do an outstanding job as Director of the Central Intelligence Agency. Mr. HAHN stated that he has never heard Mr. MC CONE utter one word in opposition to the principles of the United States Government, and for this reason he believes him to be a completely loyal United States citizen; and he would recommend him for a position of trust with the United States Government.

On October 27, 1961, HERBERT H. G. NASH, Secretary, Board of Trustees, CIT, Pasadena, California, advised that JOHN A. MC CONE's resignation from the Board of Trustees of CIT was effective July 7, 1958. His tenure of service as a member of the Board of Trustees began in 1946 and continued until his resignation in 1958. Mr. NASH stated that he has had little association with Mr. MC CONE, but he has never heard anything unfavorable concerning his character, associates, reputation, or loyalty; and he would recommend him for the position for which he is presently being considered.

On October 27, 1961, CLAIR ENGLE, United States Senator from California, was interviewed at the Jonathan Club, 545 South Figueroa Street, Los Angeles, and he advised that

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JOHN A. MC CONE is known to him as a most able and patriotic individual. He stated that MC CONE has an outstanding reputation among the Government officials throughout Washington, D. C. ENGLE stated he considers MC CONE a highly responsible person, possessed of a great amount of drive and integrity, and he knows him to be a man of excellent character. He stated he is not personally acquainted with MC CONE's associates outside the Government, but he has never heard of any associations which would in any way reflect adversely on MC CONE. He stated he would give MC CONE his highest recommendation for appointment to a responsible position in the United States Government.

On October 26, 1961, HOWARD HANSON, Secretary and Counsel, First Western Bank and Trust Company, Los Angeles, advised that JOHN A. MC CONE was elected to the Board of Directors on February 27, 1961, and has now submitted his resignation to become effective prior to or upon assumption of his duties as Director of the Central Intelligence Agency. Mr. HANSON stated that the Board of Directors has voted to accept the resignation with regrets. Mr. HANSON stated his only association with Mr. MC CONE has been through the Board of Directors meetings, and he has been very impressed by Mr. MC CONE's ability and wide knowledge in various fields of business. He stated nothing has ever come to his attention which would cause him to question the character, associates, reputation, or loyalty of Mr. MC CONE, and he would highly recommend him for a position of trust with the United States Government. Mr. HANSON stated that Mr. M. E. MC MILLAN, President of First Western Bank and Trust Company, is currently on a tour of the United States and his exact date of return is not known. He stated that Mr. MC MILLAN is the only other individual in the bank who would be closely associated with Mr. MC CONE.

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*HOSNER*  
On October 27, 1961, United States Congressman CRAIG HOSNER of California, was interviewed at the residence of his parents, 4130 Cedar Avenue, Long Beach, California, by SA KENNETH C. WALKER. HOSNER stated he had known MC CONE by his exceptionally good business reputation, since MC CONE had first had a part in the construction of the Hoover Dam many years ago. HOSNER stated he has personally been acquainted with MC CONE since 1956, both socially and in connection with MC CONE's position as Head of the Atomic Energy Commission. He stated MC CONE is a person of integrity, and has been very successful in the business world. He stated that through personal contacts with MC CONE and with employees and associates at the Atomic Energy Commission, he has observed that MC CONE, as a leader, was extremely highly respected and looked upon as a capable administrator. He stated that MC CONE has the "drive" and insight to organize to fulfill his appointment as Director of the Central Intelligence Agency. HOSNER stated he has no qualms whatsoever in recommending MC CONE for the position of Director of the Central Intelligence Agency, and has never heard anything which would reflect unfavorably on his character, associates, reputation or loyalty.

*W*  
*HIS EMINENCE*  
On October 27, 1961, JAMES FRANCIS Cardinal MC INTYRE, Archbishop of Los Angeles, 1531 West Ninth Street, Los Angeles, California, advised SA JOHN M. CASHEL that he had been acquainted with MC CONE in New York before he came here 15 years ago. He stated that MC CONE has been in Government service extensively and has a well-known good reputation. He stated that MC CONE is of the highest integrity, and the United States Government is fortunate to have a man of his caliber in service because of his honesty, integrity, loyalty and courage of convictions. He stated that MC CONE has headed an advisory committee of a technology school in Los Angeles for the Cardinal, and is highly regarded among businessmen throughout the United States. He stated that the name MC CONE is always received with esteem. Cardinal MC INTYRE stated that MC CONE has, in the years past, been Director of numerous companies and businesses throughout California, and has

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always been a public-minded individual. Cardinal MC INTYRE stated that he would recommend JOHN A. MC CONE for any job regardless of the position. He stated that MC CONE is a top-flight man of independent thought and, in addition, is a very prudent man. Cardinal MC INTYRE stated he would give his unqualified recommendation for appointment of JOHN A. MC CONE as Director of the Central Intelligence Agency.

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CREDIT AND POLICE AGENCIES

On October 24, 1961, the files of the Los Angeles Police Department and Los Angeles County Sheriff's Office, as caused to be reviewed by IC STEVEN T. SCHOENBAUM, failed to disclose a record identifiable with JOHN A. MC CONE or his wife. These files also failed to disclose a record identifiable with MC CONE's sisters, ALICIA JOSEPHINE MC CONE, MARGARET AICHER, and MARY LOUISE SHELBY.

On October 25, 1961, a review of the files of the Pasadena, California Police Department, as caused by SA GILMER G. ROBINSON, failed to disclose a record identifiable with MARGARET AICHER or JOHN A. MC CONE and his wife.

On October 25, 1961, a review of the files of the Riverside County Sheriff's Office and Riverside Police Department, Riverside, California, as caused to be made by SA STANLEY H. FUEHRER, failed to reflect any record identifiable with ALICIA MC CONE in addition to that previously reported.

On October 26, 1961, a review of the files of the Riverside Credit Bureau, as caused by SA FUEHRER, failed to disclose any additional information concerning ALICIA MC CONE, 3205 Polk Street, Arlington, California (a suburb of Riverside), in addition to that previously reported.

On October 26, 1961, a review of the files of the Los Angeles Retail Merchants Credit Association, as caused to be made by IC TED W. CRAWFORD, failed to disclose any information concerning JOHN A. MC CONE and his wife ROSEMARY; his sister, MARY LOUISE SHELBY, aka. Mrs. DONALD C. SHELBY; his sister, MARGARET J. AICHER, aka. Mrs. J. W. H. AICHER; or his sister, ALICIA J. MC CONE, in addition to that already reported.

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### RELATIVES

On October 26, 1961, Mrs. COLADENE HYKES, 3200 Tyler Street, Arlington, California, advised that her property immediately adjoins that of ALICIA MC CONE at 3205 Polk Street. She stated that nothing has ever come to her attention which would reflect unfavorably on Miss MC CONE, and she believes her to be a person of good character and reputation and a loyal United States citizen.

On October 26, 1961, Mrs. RUTH GARMES, 460 Dalehurst Avenue, West Los Angeles, California, advised SA CARL V. PORTER that she had been a neighbor of the SHELBYs for fifteen years. She stated just recently DONALD and MARY LOUISE SHELBY moved to 11922 Saltair Terrace, Los Angeles 49, California. She stated she is a frequent visitor in their home and that her daughter CAROL regularly dates JOHN SHELBY. Mrs. GARMES stated nothing has ever come to her attention which would reflect adversely on the character or reputation of any member of the SHELBY family.

On October 27, 1961, Mrs. J. C. BRIDGES, 665 Westbridge, Pasadena, California, advised that Mrs. MARGARET AICHER currently resides at 670 Westbridge, Pasadena, and enjoys a good reputation in the neighborhood. Mrs. BRIDGES stated that Mrs. AICHER is a widow, and she believes her to be a completely loyal United States citizen.

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NEWSPAPER MORGUES

On October 26, 1961, the files of the "Los Angeles Times", a local daily newspaper, were reviewed by IC STEVEN T. SCHOENBAUM. Contained in the "Los Angeles Times" issue of September 28, 1961, was an article which reflected that JOHN A. MC CONE, who had been in Washington, D. C., conferring on Atomic Energy Commission matters, had returned to Los Angeles. While in Washington, D. C., MC CONE had been called to the White House and asked to take the job of Director of Central Intelligence Agency. The article disclosed that DULLES called MC CONE the "ideal choice for a man to carry on this important work."

No other information of pertinence to this investigation appeared in the files of the "Los Angeles Times".

On October 26, 1961, the files of the "Los Angeles Herald Express" were reviewed by IC STEVEN T. SCHOENBAUM, and no information in addition to that contained in the files of the "Los Angeles Times" was noted.

10/27/61

TELETYPE

URGENT

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-82 BY SP4BJA/DAW

432859

TO: SAC, NEW YORK

FROM: SAC, KANSAS CITY (161-136)

JOHN ALEX MC CONE, SPI. RE SAN FRANCISCO TELETYPE TO LOS ANGELES, OCT. TWENTYSIX LAST, WHICH ADVISES AS FOLLOWS: BUDED OCT. THIRTY NEXT. WHITE HOUSE HAS REQUESTED PREVIOUS INVESTIGATION OF MC CONE BE BROUGHT UP-TO-DATE. BORN JAN. FOUR NINETEEN TWO, SF, CALIF. PAST CHAIRMAN AEC. SEE WHO-S WHO FOR BACKGROUND. ASSIGN IMMEDIATELY, AFFORD CONTINUOUS ATTENTION. INVESTIGATION DISCLOSES MC CONE A MEMBER OF BOARD OF DIRECTORS, TRANS WORLD AIRLINES. WILLIAM WEST, NATIONAL AUDIT DEPARTMENT, TWA, KCMO, ADVISED THAT EXECUTIVE OFFICES OF TWA ARE LOCATED AT THREE EIGHT ZERO MADISON AVE., NEW YORK CITY, AND SUGGESTED THAT APPROPRIATE OFFICIALS TO CONTACT RE MC CONE WOULD BE CHARLES C. TINNINGHAST, JR., PRESIDENT, AND ERNEST R. BRECH, CHAIRMAN OF THE BOARD OF TWA, BOTH LOCATED NYC. NY HANDLE. NO FURTHER INQUIRY BEING MADE KC AND NO REPORT BEING SUBMITTED. BUREAU ADVISED AM. RUC.

1 - Bureau (AM)

KC 161-136

CMH:cw

(2)

NOT RECORDED

18 OCT 30 1961

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>CHARLOTTE</b>	Office of Origin <b>BUREAU</b>	Date <b>10/28/61</b>	Investigative Period <b>10/27/61</b>
TITLE OF CASE  <b>JOHN ALEX McCONE</b>		Report made by <b>SA RUFUS H. POWELL: mjh</b>	Typed By:
		CHARACTER OF CASE  <b>SPI</b>	

Synopsis:

REFERENCE:

Bureau teletype dated 10/25/61.

- RUC -

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-62 BY SP4 BJA/DFW  
II 432859

Approved <i>DER</i>	Special Agent In Charge	Do not write in spaces below	
Copies made: <i>DER</i> 1 - Bureau 1 - Charlotte (161-166)		161-1709-32	
		NOT RECORDED 13 OCT 30 1961	

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*SP4 BJA*

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: SA RUFUS H. POWELL  
Date: 10/28/61

Office: CHARLOTTE

Field Office File No.: 161-166

Bureau File No.:

Title: JOHN ALEX McCONE

Character: SPECIAL INQUIRY

## Synopsis:

Former Congressman CARL DURHAM, Chapel Hill, N. C., advised he had known McCONE professionally and would recommend him highly as a capable, loyal American.

- RUC -

DETAILS:AT CHAPEL HILL, NORTH CAROLINA.ASSOCIATE

On October 27, 1961, CARL DURHAM, East Franklin Street, advised that he was the Congressman from the 10th Congressional District of North Carolina for more than 20 years up until the last term when he retired from politics. During this 20 years in Washington, D. C., he had occasion to observe Mr. JOHN A. McCONE when he appeared before the Armed Services Committee and later before the Joint Committee on Atomic Energy. At other times Mr. DURHAM said he met and talked with Mr. McCONE on official matters. During one of these meetings he met Mrs. McCONE.

Mr. DURHAM advised that while he did not know Mr. McCONE's background, he felt that his contact with Mr. McCONE was sufficiently

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close and was extended over a period of years so that he was amply informed to give a thorough estimate of his capabilities and character. Mr. CONE, he stated, is an able, capable, deeply patriotic, very sincere person in all that he undertakes. He was thorough and energetic and handled his affairs in an impressionable manner. Mr. DURHAM stated that he would highly recommend him for a position of trust in the Government as a loyal American of good character and associates.

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>LOUISVILLE</b>	Office of Origin <b>BUREAU</b>	Date <b>10/28/61</b>	Investigative Period <b>10/26/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		Report made by <b>SA ROBERT CLARK STONE</b>	Typed By: <b>mm</b>
		CHARACTER OF CASE  <b>SPI</b>	

Synopsis:

## REFERENCE

Oklahoma City teletype to Louisville 10/26/61.

-RUC-

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
IF 432859

Approved <i>[Signature]</i>	Special Agent in Charge	Do not write in spaces below	
Copies made:  ① - Bureau 1 - Louisville (161-70)  <i>[Signature]</i>		161-1709-33	
		NOT RECORDED 13 OCT 30 1961	

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA ROBERT CLARK STONE  
Date: October 28, 1961

Office: LOUISVILLE

Field Office File No.: LS 161-70

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis:

HAROLD CUTLIFF STUART, former Assistant Secretary, U.S.A.F., recommends applicant, considers him a hard worker, intelligent, able, honest, and loyal, with great love for his country. Stated he criticized applicant when MC CONE was Undersecretary, U.S.A.F., because MC CONE gave contracts to [redacted] and other contractors without sufficient controls, resulting in waste that cost Government millions of dollars. STUART feels that this did not constitute disloyalty or fraud, but merely bad management and loose handling of Government money. Would recommend applicant for any position in which he is not handling Government contracts. Sees no reason to furnish signed statement. Would be willing to testify as to above before any hearing board if necessary, and is willing to have his identity revealed.

b6  
b7c

-RUC-

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW  
# 432859

LS 161-70

DETAILS:

HAROLD CUTLIFF STUART, former Assistant Secretary, United States Air Force, from 1949 to 1951, was contacted at Frankfort, Kentucky, on October 26, 1961, concerning applicant.

He said he had been interviewed by FBI Agents in 1948. His opinions concerning JOHN ALEX MC CONE have not changed since then, and he has not had any contact with applicant since last interviewed. He stated that he considers applicant to be a hard worker, intelligent, able, honest, and entirely loyal to the United States, with great love for his country. STUART was critical of applicant at the time the latter was Undersecretary for the United States Air Force as MC CONE was handling contracts for the Air Force, and let these contracts in many instances in 1950 and 1951 to his friends, including [REDACTED]. The contracts were legitimate, but did not have sufficient controls, which resulted in waste and delays that cost the Government millions of dollars. STUART did not consider this to be fraud or disloyalty on the part of MC CONE, but was bad business management and loose handling of Government money that MC CONE would undoubtedly not have permitted if he were working for his own company.

b6  
b7C

Mr. STUART said he would employ applicant himself if his services were needed and if the position did not involve the granting and handling of contracts. He considers applicant to be a man of integrity, well fitted for a position of responsibility. He said he has no objection to his identity being known in connection with MC CONE's application, does not see any reason to furnish a signed statement, but has no objection to appearing before any hearing board if this should become necessary.

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>OMAHA</b>	OFFICE OF ORIGIN <b>BUREAU</b>	DATE <b>10/28/61</b>	INVESTIGATIVE PERIOD <b>10/28/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		REPORT MADE BY <b>ROSSITER C. MULLANEY</b>	TYPED BY <b>jeb</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

REFERENCE: Bureau teletype 10/25/61.

- RUC -

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DEFW

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APPROVED <i>TJR</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:  ① - Bureau (AMSD) 1 - Omaha (161-149)		161-1709-34	
		NOT RECORDED 9 OCT 30 1961	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS <i>SP4BJA/DEFW</i>	
AGENCY			
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: ROSSITER C. MULLANEY  
Date: October 28, 1961

Office: OMAHA

Field Office File No.: OM 161-149

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

## Synopsis:

Senator BOURKE B. HICKENLOOPER, Iowa, advised he has high regard for MC CONE's ability, integrity, moral character, reputation, and considers him loyal American and very capable.

- RUC -

## DETAILS:

Senator BOURKE B. HICKENLOOPER, United States Senator from Iowa, on October 28, 1961, at Des Moines, Iowa, advised he has known JOHN MC CONE for about ten years and intimately for the last five or six years. He stated he has a high regard for MC CONE, considers him "tops" in ability, integrity, moral character, personal habits, and reputation. He stated MC CONE is a very capable man in every respect and a loyal American citizen.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW  
II 346867

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
OCT 30 1961

TELETYPE

Mr. Tolson \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. DeLoach \_\_\_\_\_  
Mr. Evans \_\_\_\_\_  
Mr. Malone \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Sullivan \_\_\_\_\_  
Mr. Tavel \_\_\_\_\_  
Mr. Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Ingram \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

URGENT 10-30-61 10-50 AM PST JG

TO DIRECTOR, FBI

FROM SAC, SAN DIEGO 77-2982 1 P

JOHN ALEX MC CONE, SPECIAL INQUIRY. UNITED STATES

SENATOR THOMAS H. KUCHEL, REPUBLICAN DASH CALIFORNIA, THIS  
DATE ADVISED HE IS AWARE OF POSITION MC CONE IS BEING  
CONSIDERED FOR. KUCHEL STATED HE HAS KNOWN AND  
ASSOCIATED WITH MC CONE FOR THE PAST TEN YEARS AND  
IS WELL AWARE OF THE OUTSTANDING JOB MC CONE DID  
WHILE SERVING AS FORMER CHAIRMAN OF ATOMIC ENERGY  
COMMISSION. KUCHEL HIGHLY RECOMMENDS MC CONE FOR  
POSITION OF TRUST AND RESPONSIBILITY WITH UNITED  
STATES GOVERNMENT. REPORT FOLLOWS.

END

WA 1-53 PM OK FBI WA JA

TU DISC

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
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161-1709-25  
NOT RECORDED

16 JAN 8 1962

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# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>SAN FRANCISCO</b>	Office of Origin <b>BUREAU</b>	Date <b>10/30/61</b>	Investigative Period <b>10/30/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		Report made by <b>SA GARY N. MAVITY</b>	Typed By: <b>lmr</b>
		CHARACTER OF CASE  <b>SPI</b>	

Synopsis:

REFERENCES: Los Angeles teletype to Bureau, 10/27/61.  
San Francisco teletype to Bureau, 10/30/61.

- RUC -

EX-100-100000  
EX-100-100000  
DATE 3-22-02 BY SP4BJA/DFW  
II 432859

Approved <i>[Signature]</i>	Special Agent In Charge	Do not write in spaces below:	
Copies made:		761-1207-36	
1 Bureau (AMSD)		NOT RECORDED	
1 San Francisco (77-2520)		7 NOV 1 1961	

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: SA GARY N. MAVITY  
Date: October 30, 1961

Office: SAN FRANCISCO

Field Office File No.: 77-2520

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

Synopsis: T.S. PETERSEN, President, Standard Oil of California,  
commented favorably.

- RUC. -

DETAILS: AT SAN FRANCISCO, CALIFORNIA

Mr. T.S. PETERSEN, President, Standard Oil Company of California, 225 Bush Street, was interviewed telephonically October 30, 1961, at his request. He advised that he has known MC CONE for 25 to 30 years through their business associations and on a close personal basis. He stated he has been closely associated with MC CONE's wife, ROSEMARY, also during that time. He considers MC CONE to be a person of the highest integrity and character whose loyalty is beyond question. He advised that MC CONE was elected to the Board of Directors of Standard Oil earlier this year upon the termination of his Atomic Energy Commission position and has resigned effective November 18, 1961, in order to take a new position with the government as head of Central Intelligence Agency. He recommended MC CONE highly for a position of trust and confidence.

1\*

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>DENVER</b>	Office of Origin <b>BUREAU</b>	Date <b>10/30/61</b>	Investigative Period <b>10/30/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		Report made by <b>HAROLD P. MOSS</b>	Typed By: <b>il</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

~~PERSONAL~~

**REFERENCES:** Bureau teletype to Los Angeles and other offices dated 10/25/61.

Denver radiogram to the Bureau dated 10/26/61.

- RUC -

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
D432859

Approved: <i>AW.</i>	Special Agent In Charge	Do not write in spaces below		
Copies made:  1 - Bureau (AM)  1 - Denver (161-215)  <i>mb</i>		161-1709-	37	
		NOT RECORDED		
		4 NOV 1 1961		
		<i>Sp4 Ind.</i>		

- A\* -

**COVER PAGE**

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA HAROLD P. MOSS  
Date: October 30, 1961

Office: Denver, Colorado

Field Office File No.: 161-215

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

Synopsis:

Congressman WAYNE N. ASPINALL, Grand Junction, Colorado, recommended MC CONE as trustworthy, temperate person, of excellent judgment, and a reliable, loyal American citizen.

- RUC -

DETAILS:

On October 30, 1961, Congressman WAYNE N. ASPINALL, Federal Building, Grand Junction, Colorado, advised he has known MC CONE for the past four years only, principally in connection with legislative matters coming before the Joint Committee on Atomic Energy. He had very frequent contact with him on such Committee, and has had numerous social contacts with him. Congressman ASPINALL reported he thought MC CONE to be above reproach in every respect and that he would highly recommend him for a position of trust with the Government. He stated MC CONE is one of the finest men he has ever known and that the

DN 161-215

United States Government is very fortunate that MC CONE will accept an appointment. He stated that he considers MC CONE to be trustworthy, dependable, temperate in habits, a person of excellent judgment, and a person who has a very fine reputation with members of both major political parties. He is a very able administrator and is a fine, loyal American citizen.

Congressman ASPINALL stated he had an occasion to make an extended business trip with MC CONE to Europe in connection with a visit to the NATO countries. He found him to be above reproach in every respect on that trip. He considered him to be a fine representative of an agency of the United States Government.

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>WASHINGTON FIELD</b>	OFFICE OF ORIGIN <b>BUREAU</b>	DATE <b>10/30/61</b>	INVESTIGATIVE PERIOD <b>10/25-30/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		REPORT MADE BY  <b>FELIX T. HOLT, JR.</b>	TYPED BY  <b>pmk</b>
		CHARACTER OF CASE  <b>SPI</b>	

REFERENCES

Butel, 10/23/61, and 10/25/61.  
 NY radiogram, 10/25/61.  
 SLtel, 10/25/61.  
 Hotel, 10/26/61.  
 Latel, 10/27/61.

ALL INFORMATION CONTAINED  
 HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DEW

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ADMINISTRATIVE DATA

On 10/27/61, Miss CHARLOTTE E. WISMER, Secretary, Office of the Officer in Charge of NATO Political Affairs, Office of European Regional Affairs, United States Department of State, advised SA JOSEPH W. SPEICHER that Ambassador THOMAS K. FINLETTER is presently at his position in Paris and is not due to return to the United States in the near future.

It will be noted that ROSEWELL GILPATRICK, Deputy Secretary of Defense, had been outside the United States and

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:		161-1709-38	
1-Bureau		NOT RECORDED	
1-Washington Field (77-26669)		16 JAN 8 1962	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS	
AGENCY		2 13 44 81	
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

WFO 77-26669

is expected to be in Washington, D.C. area by October 30, 1961. If Mr. GILPATRIC returns to Washington, D.C., WFO will interview him and report results of interview immediately.

LEADS

WASHINGTON FIELD OFFICE

AT WASHINGTON, D.C.

1. Will report results of interviews with Central  
ARTHUR W. RADFORD, Admiral H. G. RICKOVER, and  
Senator EUGENE J. MC CARTHY.

2. Will report results of outstanding check of records  
at OSI, State Passport, Secret Service and IRS.

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: **FELIX T. HOLT, JR.**  
Date: **10/30/61**

Office: **Washington, D.C.**Field Office File No.: **77-26669**

Bureau File No.:

Title: **JOHN ALEX MC CONE**Character: **SPECIAL INQUIRY**~~ALL INFORMATION CONTAINED~~~~HEREIN IS UNCLASSIFIED~~DATE **3-22-02** BY **SP4BJA/DFW****432859**

## Synopsis:

AEC file reviewed. AEC commissioners recommend. United States Representative, ALBERT THOMAS, recommends. Satisfactory credit rating. No record police agencies. No additional pertinent information CSC. No record HCUA. No additional pertinent information CIA. No additional pertinent information Daily News Morgue. No additional pertinent information Newspaper Morgue, at Evening Star Reviewed. No additional information White House.

- P -

DETAILS: AT WASHINGTON, D. C.EMPLOYMENT

On October 27, 1961, Mrs. IDA V. RAWLINGS, Clerk, Security Files, Washington Area Security Office, (WASO), United States Atomic Energy Commission, (AEC), made available to SA JOHN D. MCKINNEY the appointee's security file Number WA-17925. The above file reflected the following information:

Q Clearance granted June 19, 1950, by WASO, (Department of the Air Force), which was terminated October 5, 1953.

Q Clearance granted June 6, 1958, by WASO on presidential appointment of the appointee as Chairman of the AEC. The above clearance was extended to Central Intelligence Agency on October 3, 1961. The above file contained no additional pertinent information.

Mrs. R. MILDRED LA MASTRA, Clerk, Personnel Files, Office of Personnel, United States Atomic Energy Commission, made the appointee's official personnel file available to SA MCKINNEY on October 27, 1961. The above file reflected that on July 14, 1958, the appointee was designated Chairman to the AEC by former President DWIGHT D. EISENHOWER.

The above file reflected a memo from the Office of the Secretary of Defense, October 15, 1958, which reflects the appointee was employed by the Office of the Secretary of Defense from April 8, 1948 to October 11, 1948, as a Special Advisor to the Secretary of Defense. During this period he served without compensation.

A memo dated October 14, 1958, indicated the appointee was employed in the Department of the Air Force, Washington, D.C., from June 15, 1950 to September 12, 1951.

A Health Benefits Registration form dated June 30, 1960, reflected the appointee's residence as 3025 Whitehaven Street, N.W., Washington, D.C.

A copy of an undated letter from former President DWIGHT D. EISENHOWER acknowledges MC CONE's resignation effective January 20, 1961, and commends him on the "tremendous advances in all aspects of atomic energy from peaceful uses to defense uses," made during his tenure as Chairman of the United States Atomic Energy Commission. The appointee resigned as Chairman, Office of the Commissioners, United States Atomic Energy Commission, effective January 20, 1961.

The above also reflected Contract Number AT (49-13) 1940, dated March 8, 1961, to JOHN A. MC CONE, 1100 Oak Grove Avenue, San Marino, California, issued as Consultant to serve as Advisor to the Commission, at the rate of \$100 per day when actually employed during the period January 21, 1961 to June 30, 1961. This contract was reissued for the period July 11 1961 to June 30, 1962.

No additional pertinent information was contained in the above file.

On October 27, 1961, Mr. LOREN K. OLSON, Commissioner, AEC advised he has known the appointee both professionally and socially for approximately ten years. Mr. OLSON stated he is acquainted with the appointee's wife. Mr. OLSON described Mr. MC CONE as the most intelligent man he has ever met, who is honest, forthright, and outstanding in every way. Mr. OLSON stated he would not have any hesitation whatsoever in recommend-

ing the appointee for any position involving trust and confidence. Mr. OLSON stated that during the period he has known Mr. MC CONE nothing of derogatory nature concerning his character, reputation, associates, and loyalty has ever been brought to his attention.

On October 30, 1961, Mr. JOHN S. GRAHAM, Commissioner, AEC, advised he has known Mr. MC CONE since the early 1950's when he, GRAHAM, was Assistant Secretary of the Treasury. He stated that he worked closely with the appointee when the latter was Chairman of the AEC from July, 1958 until January 20, 1961. Mr. GRAHAM described the appointee in the highest terms with regard to his character, reputation, associates, and loyalty, and stated MC CONE was "two-fisted," dynamic, of high moral and religious convictions. He stated Mr. MC CONE has a strong desire to do a good job and demands that the people working under him also do a good job. He stated that he has met the appointee's wife and stated that both the appointee and his wife have visited his home and he in theirs. Mr. GRAHAM commented favorably concerning Mrs. MC CONE. Mr. GRAHAM stated he would highly recommend Mr. MC CONE for a position of trust and confidence.

On October 30, 1961, Doctor ROBERT E. WILSON, Commissioner, AEC, advised he has known the appointee for ten or twelve years, and has worked very closely with him during the past three years. Doctor WILSON stated he is acquainted with the appointee's wife and vouched for their character, reputation, associates, and loyalty. Doctor WILSON commented that the only adverse comments that he has heard concerning the appointee have originated from a certain segment of those in the scientific field, who believe that the United States should not conduct any ~~nuclear~~ tests at any cost. Doctor WILSON commented that this criticism of the appointee should in no way reflect adversely on the appointee,

Doctor WILSON stated he would recommend the appointee highly for a position of trust and confidence.

Interview of United States Representative, ALBERT THOMAS

On October 26, 1961, United States Representative, ALBERT THOMAS, advised SA PAUL E. ERTZINGER he has known the appointee since he was appointed Chairman of the AEC and

WFO 77-26669

considers him to be outstanding in every way. He stated Mr. MC CONE is very capable, competent, and a good administrator. He stated the appointee's character, reputation, associates, and loyalty are above any question. Representative THOMAS stated he knows of nothing whatsoever unfavorable concerning the appointee and recommended him for any position of trust and responsibility with the United States Government.

#### CREDIT AND POLICE AGENCY CHECKS

The files of the Credit Bureau, Incorporated as caused to be searched by IC J. DONALD MYERS on October 26, 1961, revealed a satisfactory credit rating for the appointee and his wife, ROSEMARY.

The files of the United States Park Police as caused to be searched by IC MICHAEL J. HALLY on October 26, 1961, revealed no record for the appointee or his wife.

The files of the Metropolitan Police Department as searched by IC HALLY and SE JOSEPH C. CREEDEN on October 30, 1961, revealed no record for the appointee or his wife; at all times an indefinite number of unidentified records are out of file and not available for review.

The files of the Arlington, Virginia, Police Department as caused to be searched by IC ROBERT A. LARSON on October 30, 1961, failed to reveal a record for the appointee or his wife.

#### MISCELLANEOUS

The files of the Bureau of Personnel Investigations, Civil Service Commission, as caused to be searched by SA J. RICHARD NICHOLS on October 27, 1961, revealed no additional pertinent information concerning the appointee. ✓

The files of the House Committee on Un-American Activities as searched by IC ROBERT E. LEGG on October 26, 1961, revealed no record for the appointee. ✓

The files of the Central Intelligence Agency as caused to be searched by SA ROBERT H. BURKART on October 26, 1961, revealed no additional pertinent information concerning the appointee.

On October 27, 1961, Miss JOSEPHINE MOCKLAR, Librarian, Washington Daily News, advised SA PAUL F. DOUGHERTY the News

WFO 77-26669

Morgue of the Daily News contained no additional pertinent information concerning the appointee.

On October 27, 1961, the Newspaper Morgue of the Washington Evening Star was reviewed by SA DOUGHERTY. The above files contained an article dated October 16, 1961, concerning Mr. MC CONE ~~was~~ appointed to head the Central Intelligence Agency. In this article Senator EUGENE J. MC CARTHY of Minnesota is quoted as stating he was not sure that Mr. MC CONE has the qualifications to head the Central Intelligence Agency.

The above files contained no additional pertinent information.

On October 26, 1961, Mrs. JEAN ROBB, Personnel Office, the White House, Office, advised SA PAUL E. ERTZINGER her files contained no additional pertinent information concerning the appointee.

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office SAN DIEGO	Office of Origin BUREAU	Date 10/30/61	Investigative Period 10/30/61
TITLE OF CASE  JOHN ALEX MC CONE		Report made by ROBERT S. BAKER	Typed By: pjr
		CHARACTER OF CASE  SPECIAL INQUIRY	

Synopsis:

REFERENCES: Los Angeles teletype to Bureau and San Diego dated 10/27/61;  
San Diego teletype to Bureau dated 10/30/61.

- RUC -

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

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Approved <i>TEB</i>	Special Agent In Charge	Do not write in spaces below	
Copies made:  ① - Bureau (AM) 12-15-61 San Diego (77-2982)  NOV 5 3 42 PM '61		161-1209-39	
		NOT RECORDED	
		17 NOV 1 1961	

RECEIVED FBI

- A\* -

COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

ROBERT S. BAKER  
October 30, 1961

Office: SAN DIEGO

Date:

Field Office File No.:

SD 77-2982

Bureau File No.:

Title:

JOHN ALEX MC CONE

Character:

SPECIAL INQUIRY

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

432859

Synopsis:

U. S. Senator THOMAS H. KUCHEL (R-California) advised that he has been acquainted with JOHN A. MC CONE for approximately ten years. KUCHEL is aware of position MC CONE is being considered for and considers him an outstanding executive. KUCHEL favorably recommends MC CONE for a position of trust and responsibility with the United States Government.

- RUC -

DETAILS: AT SAN DIEGO, CALIFORNIA

U. S. Senator THOMAS H. KUCHEL (R-California), on October 30, 1961, advised he has known and associated with JOHN A. MC CONE for approximately the past ten years. Senator KUCHEL advised MC CONE is a man of about 60 years of age and has exhibited outstanding executive talents both in private business and as former Chairman of the Atomic Energy Commission. Senator KUCHEL stated that he is aware of the position MC CONE is being considered for in the United States Government. Senator KUCHEL stated that he is most pleased to recommend JOHN A. MC CONE for a position of trust and high responsibility with the United States Government.

- 1\* -

✓ *Young*  
1258  
170

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
OCT 30 1961

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

URGENT 10-30-61 12-08 PM PST WM

TO DIRECTOR, FBI AND SAC, NEW YORK

NEW YORK VIA WASHINGTON

FROM SAC, SAN FRANCISCO 1 PG

JOHN ALEX MC CONE, SPI. BUDED OCTOBER THIRTY. RE BUREAU TELETYPES

ALL INFORMATION CONTAINED

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DATE 3-23-02 BY SP4 BJA/Dfw

432859

OCTOBER TWENTYTHREE AND OCTOBER TWENTYFIVE LAST, AND LOS ANGELES TELETYPE OCTOBER TWENTYSEVEN LAST. RE LOS ANGELES TELETYPE REPORTS MC CONE MEMBER OF BOARD OF DIRECTORS OF STANDARD OIL COMPANY OF CALIFORNIA SINCE TERMINATION OF AEC POSITION AND HAS SUBMITTED RESIGNATION EFFECTIVE PRIOR TO OR AS OF DATE HE ASSUMES DUTIES WITH CIA. INQUIRY AT STANDARD OIL SAN FRANCISCO DISCLOSED R. G. FOLLIS, CHAIRMAN OF BOARD DIRECTORS, WHOSE INTERVIEW WAS SUGGESTED BY LOS ANGELES, IS PRESENTLY IN NEW YORK FOR ABOUT A WEEK AND CAN BE REACHED AT CAL COMMERCIAL, THIRTY ROCKEFELLER PLAZA, ROOM FOUR FIVE ZERO SEVEN, PHONE CIRCLE SIX FOUR ZERO FOUR THREE, OR AT PLAZA HOTEL. NEW YORK INTERVIEW FOLLIS. SAN FRANCISCO ATTEMPTING TO LOCATE AND INTERVIEW OTHERS IN STANDARD OIL WHO KNOW MC CONE. FOR INFORMATION OF NEW YORK FOLLIS INTERVIEWED IN ONE NINE FIVE EIGHT INVESTIGATION OF MC CONE AND FAVORABLE.

END AND ACK PLS.

WA 3-13 PM OK FBI WA DA FOR RELAY

TU DISC I

161-1709-40  
NOT RECORDED

16 JAN 8 1962

RELAYED TO

*1-cc destroyed 11-27-61*

NA 7:00p  
76

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

OCT 30 1961

TELETYPE

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DATE 3-22-02 BY SP4 BJA/DEW

# 432859

URGENT 10-30-61 3-04 PM PST MPD

TO DIRECTOR, FBI

FROM SAC, SAN FRANCISCO /77-2520/ 1P

JOHN ALEX MC CONE. SPI. BUDED OCTOBER THIRTY. RE LOS ANGELES TELETYPE  
OCTOBER TWENTY SEVEN LAST AND SAN FRANCISCO TELETYPE OCTOBER THIRTY.

T.S. PETERSEN, PRESIDENT OF STANDARD OIL OF CALIFORNIA, SAN FRANCISCO,  
INTERVIEWED TELEPHONICALLY THIS DATE AT HIS REQUEST. ADVISED HE HAS  
KNOWN MC CONE FOR TWENTY FIVE OR THIRTY YEARS THROUGH BUSINESS  
RELATIONSHIPS AND ALSO ON SOCIAL BASIS. CONSIDERS MC CONE TO BE OF  
HIGHEST INTEGRITY AND PERSONAL CHARACTER WHOSE LOYALTY IS ABOVE  
QUESTION. ADVISED MC CONE ELECTED TO BOARD OF DIRECTORS OF STANDARD  
OIL UPON TERMINATION OF AEC POSITION AND HAS NOW RESIGNED EFFECTIVE  
NOVEMBER EIGHTEEN NEXT. RECOMMENDS HIGHLY FOR POSITION OF TRUST AND  
CONFIDENCE. REPORT FOLLOWS.

END AND ACK PLS.

6-08 PM OK FBI WA MSL

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NO DEPT. OF JUSTICE  
FBI

OCT 30 8 37 PM '61

BUFILE-LAYNE

161-1709-41  
NOT RECORDED

16 JAN 8 1962

Spec. Del.

1-cc destroyed 11-9-61 WFA/SL

10/30/61

Airtel

To: SAC, Washington Field

From: Director, FBI

JOHN ALEX MC CONE  
SPI

Reurairtel this date.

Permission granted to interview Senator Eugene  
J. McCarthy.

NOTE: Interview with Senator McCarthy cleared with  
Mr. Kemper this date.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

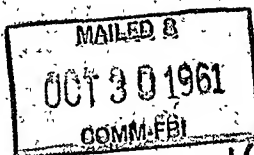
DATE 3-22-02 BY SP4 BJA/DFW

II 432859

WHB:dhk

-4-

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Ingram \_\_\_\_\_  
Gandy \_\_\_\_\_



MAIL ROOM ☒

TELETYPE UNIT ☐

WFO

F B I

Date: 10/30/61

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL \_\_\_\_\_  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669)

JOHN ALEX McCONE  
SI

Buteletype 10/23/61.

A review of the library of the "Evening Star" reveals an article of 10/16/61, in which United States Senator EUGENE J. McCARTHY of Minnesota, is quoted as stating he is not sure McCONE is qualified to head the CIA.

In view of the above, WFO will attempt to locate and interview Senator McCARTHY UACB.

P  
③-Bureau  
1-WFO (77-26669)

FTH:kjy  
(4)

AIRTEL

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DEW  
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161-1709-42  
NOT RECORDED

16 JAN 8 1962

Spec. Ind. 11

2-cc destroyed 11-27-61 WAB/gjb.  
Approved: hw Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

F B I

Date: 10/31/61

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL \_\_\_\_\_  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-2666)

JOHN ALEX McCONE  
SPIALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
# 432859ReWFO report, FELIX T. HOLI, 10/30/61.  
Buairtel 10/30/61.

On 10/30/61, Admiral ARTHUR W. RADFORD, 1625 K Street, N. W. advised SA STANLEY T. BLASZEK he has known McCONE since 1948, both professionally and socially. He described McCONE as an outstanding public servant and an excellent executive and administrator. Admiral RADFORD stated "McCONE is just what CIA needs, a good tough administrator." He stated he would recommend McCONE without reservation. Admiral RADFORD advised that during the period he has known Mr. McCONE nothing of a derogatory nature concerning McCONE's private, social, or professional life has ever come to his attention.

United States Senator EUGENE J. McCARTHY of Minnesota, advised SA PAUL F. DOUGHERTY on 10/30/61, he does not possess much background information concerning McCONE and he is not personally acquainted with the appointee. Senator McCARTHY advised that he has never served on a committee that would have afforded him contact with McCONE.

On 10/30/61, IC PAUL M. CAVANAUGH reviewed the appointee's file at the Passport Office, Department of State, which listed his birth as 1/4/02, at San Francisco, California.

Passport #176717 was issued the appointee on 10/27/58, for ten days' travel to England, Belgium, and France on official business.

Diplomatic Passport #7355, issued 3/6/56, was revalidated on 2/14/60, for travel to Austria as the Representative of the United States to the Fourth General Conference of the International Atomic Energy Agency to be held at Vienna.

③ - Bureau  
1 - WFO  
FTH:JMO (4)

NOT RECORDED

16 JAN 8 1962

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

WFO 77-26669

Passport #176717 was revalidated on 11/22/60, for approximately two weeks' travel to England, France, Italy, Netherlands, Germany, Greece, Turkey, and Spain, on official business for the Atomic Energy Commission.

The above file contained no additional pertinent information.

WFO will report results of attempts to interview ROSWELL GILPATRICK and Admiral H. G. RICKOVER.

Check of records at OSI, Secret Service, and IRS outstanding.

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
OCT 31 1961

TELETYPE

Mr. Tolson \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. DeLoach \_\_\_\_\_  
Mr. Evans \_\_\_\_\_  
Mr. Malone \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Sullivan \_\_\_\_\_  
Mr. Tavel \_\_\_\_\_  
Mr. Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Ingram \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

*multiple  
in class and  
letter*

URGENT 10-31-61 11-26 PM JFA  
TO DIRECTOR /14/  
FROM SAC, NEW YORK 161-799

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
11432859

JOHN ALEX MC CONE, SPECIAL AGENT IN CHARGE C. TILLINGHAST, JR., PRESIDENT, TWA, AND  
R. G. FOLLIS, CHAIRMAN OF BOARD, STANDARD OIL OF CALIFORNIA, RECOMMEND  
APPOINTEE. REPORT FOLLOWS.  
END

NY R NR 14 WA JHA

OCT 31 161-1729-44  
NOT RECORDED

16 JAN 8 1962

1-cc - destroyed 11-27-64 W43/tjt.

Spec Ind 13

# FEDERAL BUREAU OF INVESTIGATION

Reporting Office <b>NEW YORK</b>	Office of Origin <b>BUREAU</b>	Date <b>10/31/61</b>	Investigative Period <b>10/27-31/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		Report made by <b>JOSEPH P. FINNEGAN</b>	Typed By: <b>mam</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

XXXXX  
Synopsis

## REFERENCE

Report of SA JOSEPH P. FINNEGAN,  
10/27/61, at New York.

- RUC -

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

# 432859

Approved <i>[Signature]</i>	Special Agent in Charge	Do not write in spaces below	
Copies made:  1-Bureau 1-New York (161-799)		161-1709-45	
		NOT RECORDED 16 NOV 1 1961	

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of:

JOSEPH P. FINNEGAN

Office:

New York, New York

Date:

10/31/61

Field Office File No.:

161-799

Bureau File No.:

Title:

JOHN ALEX MC CONE

Character:

SPECIAL INQUIRY

Synopsis:

President, TWA, and Chairman of the  
Board, Standard Oil of California,  
recommend appointee.

- RUC -

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
432859

NY 161-799

DETAILS:

EMPLOYMENTS

Trans World Airlines, Inc.  
380 Madison Avenue  
New York, New York

Mr. CHARLES C. TILLINGHAST, JR., President, advised on October 30, 1961, that JOHN A. MC CONE had been a member of the Board of Directors of this company for about six months until his resignation had been accepted on October 20, 1961. Mr. MC CONE, during that time, had visited New York on several occasions and this has been the extent of Mr. TILLINGHAST's association with the appointee. He stated that the appointee is regarded as a man of outstanding ability and as a person of the finest character and reputation and a loyal American citizen. Mr. TILLINGHAST stated that he could not comment further and that Mr. ERNEST R. BREECH, Chairman of the Board of Directors, who is acquainted with the appointee, is in Europe.

Standard Oil Of California, Inc.  
San Francisco, California

Mr. R. G. FOLLIS, Chairman of the Board of Directors, who was contacted on October 30, 1961, at the California Commercial Company, 30 Rockefeller Plaza, New York, stated that he has known JOHN MC CONE and his wife since the 1930's. When the appointee resigned from the Atomic Energy Commission in January, 1961, he offered him a position on the Board of Directors as they both thought at the time that the appointee's career in government service had terminated. Mr. FOLLIS stated that the appointee's resignation has been submitted but has not yet been acted on by the Board of Directors. He has attended several of the monthly meetings of the Board of Directors and these have been Mr. FOLLIS' only contacts with the appointee since 1958. He stated that the federal government is fortunate to have secured the services of the appointee who is a very capable, energetic administrator and a sincerely dedicated public servant of the highest character, reputation, integrity and loyalty.

F B I

Date: 10/31/61

Transmit the following in PLAIN TEXT  
(Type in plain text or code)Via TELETYPE URGENT  
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, FBI AND SAC, ATLANTA

FROM: SAC, WFO (77-26669)

JOHN ALEX MC CONE SPI. REBUREAU TELETYPE OCTOBER TWENTYFIVE,  
LAST. SENATOR RICHARD B. RUSSELL OF GEORGIA INTERVIEWED THIS  
DATE AT WASHINGTON, D C. PENDING.

- ② - Bureau
- 2 - Teletype Unit
- 1 - WFO

FTH:djt  
(5)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW

II 432859

161-1708-46  
NOT RECORDED

16 JAN 8 1962

REC'D DEPT OF JUSTICE  
FBI

1-cc destroyed  
11-27-61

Approved: [Signature]  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. Evans

DATE: November 1, 1961

FROM : W. V. Cleveland

SUBJECT: JOHN ALEX MC CONE  
SPECIAL INQUIRY - WHITE HOUSE

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Evans \_\_\_\_\_  
 Malone \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Ingram \_\_\_\_\_  
 Gandy \_\_\_\_\_

Request for investigation of McCone received from Mr. O'Donnell at the White House on October 23, 1961. McCone has been named Director of Central Intelligence Agency. Investigation completed with the exception of checks of several governmental agencies and interviews with several individuals who have been unavailable.

BACKGROUND:

McCone, aged 59, is a native of California. He attended the University of California, receiving a Bachelor of Science degree in 1922. He has had various business interests in California which have included, among others, the California Shipbuilding Corporation (President), Pacific Far East Lines (Chairman of the Board), Panama Pacific Tankers Corporation (President), Joshua Hendy Corporation (President and Chairman of the Board), and Bethel-McCone Engineering Company (President). McCone's permanent residence is in San Marino, California. He also has a residence at 3025 Whitehaven Street, Northwest, Washington, D. C.

McCone was employed by the President's Air Policy Commission, as Consultant (1947-1948), Department of Defense and as Special Assistant (1948); Department of the Air Force as Undersecretary (1950-1951); Department of State, Consultant (1954-1956). He was Chairman of the Atomic Energy Commission from July, 1958, until January, 1961, when he resigned. We conducted applicant-type investigations concerning McCone in 1948, 1950, 1954 and 1958 in connection with the above positions. No derogatory information was developed. He was described as a man of outstanding ability, a natural leader and an excellent organizer and administrator.

During the above investigations information was developed that McCone, when Undersecretary of Air Force, was alleged to have shown favoritism or personal interest in awarding a \$190,000,000 aircraft contract in 1951 to the Kaiser-Frazer Corporation. The allegation was refuted by prominent individuals in possession of

Enclosures

WHB:lds

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ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

II 432859

Memorandum to Mr. Evans  
Re: JOHN ALEX MC CONE

knowledge concerning same. Allegations that McCone was involved in the illegal or unethical purchase of surplus vessels from the United States Government were also refuted during the investigations by individuals, including officials of the United States Maritime Administration.

The results of our previous investigations were summarized in memoranda dated May 5, 1954, June 12, 1958, June 24, 1958, and June 30, 1958, a copy of each was furnished the White House on October 25, 1961.

The current investigation was favorable, however, it was stated that McCone has been in favor of continued nuclear tests, whereas some scientists feel the United States should not conduct nuclear tests. As a result thereof, newspaper reports indicate some of the scientists were furious when he was named to succeed Dulles at the Central Intelligence Agency.\*

INFORMATION NOT INCLUDED IN TRANSMITTAL LETTER OR SUMMARY MEMORANDUM:

Ralph P. Flegal, San Francisco, California, former employee in one of McCone's business enterprises, alleged that during World War II McCone, in his business practices, made excessive profits bordering on profiteering. [REDACTED] b6 b7C

[REDACTED] Prior investigations which included McCone's business activities did not reveal any unethical business practices.

ACTION:

It is recommended that the attached transmittal letter and summary memorandum be delivered to the White House.

\*No effort has been made to interview any of these scientists since the objections raised were not of a derogatory nature concerning McCone personally but instead related to the President's choice of McCone rather than a man whose beliefs were more in line with their own.

F B I

Date: 11/1/61

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL \_\_\_\_\_  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669)

JOHN ALEX MC CONE  
SPI

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
432859

ReWFOairtel, 10/31/61.

On 10/31/61, ROSWELL L. GILPATRIC, Deputy Secretary of Defense, advised SA EDGAR L. CARTER he has had close social and professional contact with MC CONE since 1951. He recommended MC CONE for a position requiring the highest degree of trust and confidence.

GILPATRIC stated he regarded MC CONE as a highly capable and indefatigable worker. He also stated that he feels MC CONE is a man of excellent character, thoroughly loyal to the U. S. and enjoys an excellent reputation among his associates.

On 10/31/61, SA PAUL F. DOUGHERTY, in the course of another investigation, located and interviewed U. S. Senator RICHARD B. RUSSELL of Georgia. Senator RUSSELL stated he did not know MC CONE too well. He advised that he had no reason to doubt his loyalty and had no question concerning his character, habits, associates, or reputation.

On 11/1/61, Dr. GLENN T. SEABORG, Chairman, Atomic Energy Commission, advised he has known MC CONE for three to four years and this association has been limited, primarily, to his professional contacts at AEC. Dr. SEABORG stated he has

③ - Bureau  
1 - WFO

FTH:djt  
(4)

AIRTEL

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16 JAN 8 1962

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Approved: WJH Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

WFO 77-26669

met the appointee's wife on one or two occasions. Their residence in WDC is 3025 Whitehaven Street, N. W. He described MC CONE as a fine administrator and executive. He stated he has never had any reason to question the appointee's character, reputation, associates, or loyalty. Dr. SEABORG stated he would recommend the appointee highly for a position of trust and confidence.

WFO will report results of attempt to interview Admiral H. G. RICKOVER.

Check of records at OSI, Secret Service and IRS, outstanding.

F B I

Date: 11/1/61

Transmit the following in PLAIN TEXT  
(Type in plain text or code)Via TELETYPE URGENT  
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, AND SAC, LOS ANGELES (161-385)

FROM: SAC, WFO (77-26669)

JOHN ALEX MC CONE. SPI. RELOS ANGELES TELETYPE OCTOBER  
TWENTYSEVEN LAST. TERRANCE M LEE PRESENTLY IN LOS ANGELES.  
CAN BE REACHED AT OFFICE OF JOSHUA HENDY CORP. TELEPHONE  
MADISON NINE THREE SIX THREE ONE. LOS ANGELES HANDLE. PENDING.

- ② - Bureau  
2 - Teletype Unit  
1 - WFO

FTH:djt  
(5)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW  
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16 JAN 8 1962

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Spec. Inv.

Approved: [Signature] Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

1-cc dist. cyc. 11-27-61 WHE/dfw

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION  
NOV 1 1961

TELETYPE

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

#432859

*included  
in class and  
letter*

*Mr. Gandy  
1/10/68*

URGENT 11-1-61 7-09 AM MST JT

TO DIRECTOR, FBI

FROM SAC, DENVER 161-215 1P

JOHN ALEX MC CONE, SPI. REBUAIRTEL OCTOBER TWENTY SEVEN, NINETEEN  
SIXTY ONE. CONGRESSMAN WAYNE N. ASPINALL, GRAND JUNCTION, COLORADO,  
RECOMMENDED APPOINTEE AS TRUSTWORTHY, TEMPERATE PERSON OF EXCELLENT  
JUDGMENT AND A RELIABLE, LOYAL AMERICAN CITIZEN. REPORT FOLLOWS.

END AND ACK

WA 9-11 AM OK FBI WA HFL

TU DIS

161-1709-50  
NOT RECORDED  
16 JAN 8 1962

*Spec. Inv.*

*1-cc destroyed 11-27-61 WNS*

II 432859

**BY COURIER SERVICE**

SEE REVERSE SIDE FOR  
ADD. DISSEMINATION.

Nov 2 3 22 PM '61  
REC'D-READING ROOM  
FBI  
161923  
P

The enclosed summary memorandum covers Mr. McCone's activities since June, 1958. It is noted that previous applicant-type investigations were conducted by this Bureau concerning Mr. McCone in 1948, 1950, 1954 and 1958. Summary memoranda containing the results of those investigations were furnished to you on October 25, 1961.

It is noted that newspaper articles have indicated that some scientists were furious when Mr. McCone was named Director of the Central Intelligence Agency. These scientists were not interviewed. It is also noted that Mr. Robert E. Wilson, Commissioner, United States Atomic Energy Commission, Washington, D. C., whose comments are contained on page six of the enclosed summary memorandum, stated that some scientists have made adverse comments concerning Mr. McCone because they believe the United States should not conduct nuclear tests, whereas Mr. McCone has been in favor of such tests.

Several individuals who may be acquainted with McCONE have been unavailable for interview. When they are interviewed, you will be advised.

Tolson \_\_\_\_\_ are interviewed, you will be advised. 16 JAN 8  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \*\* \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
Tamm \_\_\_\_\_  
Winterrowd \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holloman \_\_\_\_\_  
Gandy \_\_\_\_\_

1. Dates, summary memorandum were 5/5/54, 6/12/58, 6/24/58, and 6/30/58. EBI  
2. Admiral Arthur Radford, Admiral H. G. Rickover, Charles C. Tunningham, Roswell L. Gilpatrick.

WHB: nam; 11b

DECLASSIFIED

See cover memo Cleveland to Evans  
dated 11/2/61, WHB:nam.

INGRAM \_\_\_\_\_  
GANDY \_\_\_\_\_ MAIL ROOM ☐ TELETYPE UNIT ☐

om \_\_\_\_\_  
 2 ENCLOSURE  
 MAIL ROOM

Honorable P. Kenneth O'Donnell

Information has been received from four govern- \*\*\*  
mental agencies indicating that the checks of their files  
concerning Mr. McCone have not been completed. When these  
checks have been completed, you will be advised.

The investigation of Mr. McCone covered inquiries  
as to his character, loyalty, general standing and ability,  
but no inquiries were made as to the sources of his income.

Sincerely yours,

J. EDGAR HOOVER

Enclosure

\*\*\* Passport Office, Dept. of State; U. S. Secret Service;  
Internal Revenue Service; and Dept. of the Air Force.

*Copy to C. ...  
 Received 12/21/69  
 for White House  
 146100A  
 6-18-74  
 O. G. Ames*

November 2, 1961

ALL INFORMATION CONTAINED  
 HEREIN IS UNCLASSIFIED  
 DATE 3-22-02 BY SP4 BJA/DFW  
 432859

~~JOHN ALEX MC CONE~~

The information set out hereinafter covers Mr. McCone's activities since June, 1958.

Residence *DOB 1-4-02 SAN FRANCISCO, CALIF.*

Mr. and Mrs. McCone presently reside at 3025 Whitehaven Street, Northwest, Washington, D. C.

Employment

Mr. McCone served as Chairman of the United States Atomic Energy Commission in Washington, D. C., from July 14, 1958, until his resignation on January 20, 1961.

He returned to Los Angeles, California, in February, 1961, at which time he was elected President of Panama Pacific Tankers Corporation, and Chairman of the Board of Directors of Joshua Hendy Corporation, both of Los Angeles, California.

In addition, Mr. McCone is a member of the Board of Directors of Standard Oil Company of California, San Francisco, California; Trans World Airlines, Los Angeles, California; Western Bancorporation (formerly known as First America Corporation), Los Angeles, California; First Western Bank and Trust Company, Los Angeles, California; and Pacific Mutual Life Insurance Company, Los Angeles, California.

Officials of the above firms have advised that Mr. McCone has submitted a letter of resignation to these firms to become effective upon the assumption of his duties as Director of the Central Intelligence Agency.

- Tolson \_\_\_\_\_
- Belmont \_\_\_\_\_
- Mohr \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Evans \_\_\_\_\_
- Malone \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Ingram \_\_\_\_\_
- Gandy \_\_\_\_\_

WHB:nam

MAIL ROOM ☐ TELETYPE UNIT ☐

ENCLOSURE

*161-1709-51*

*Lyndon*

*MB*

John Alex McCone

Records of the United States Atomic Energy Commission, Washington, D. C., show that Mr. McCone has been engaged as a consultant to the Commission, on a per diem basis, when actually employed, since January 21, 1961.

### Interviews

The following individuals have advised that they consider Mr. McCone a loyal citizen, whose character, reputation and associates are above reproach. They highly recommended Mr. McCone for a position of trust and confidence with the United States Government:

William C. Ryan, President, Joshua Hendy Corporation, and Vice President of Panama Pacific Tankers Corporation, both of Los Angeles, California. Mr. Ryan said that Mr. McCone is a devoted public servant of the highest integrity, whose administrative ability is outstanding.

Asa V. Call, Chairman, Board of Directors, Pacific Mutual Life Insurance Company, Los Angeles, California. Mr. Call stated that Mr. McCone is an extremely satisfactory administrator of the highest reliability and integrity.

Herbert H. G. Nash, Secretary, Board of Trustees, California Institute of Technology, Pasadena, California. Mr. Nash noted that Mr. McCone served as a member of the Board of Trustees of the California Institute of Technology from 1946 until 1958.

Frank L. King, President, Western Bancorporation, Los Angeles, California.

Howard Hanson, Secretary, First Western Bank and Trust Company, Los Angeles, California. Mr. Hanson stated that he has been very impressed by Mr. McCone's ability and wide knowledge in various fields of business.

**John Alex McCone**

His Eminence James Francis Cardinal McIntyre, Archbishop of Los Angeles, California. Cardinal McIntyre commented that Mr. McCone is a person of the highest integrity, and he feels that the United States Government is fortunate to have a man of Mr. McCone's caliber in Government service because of his honesty, loyalty and courage of convictions.

Theodore S. Petersen, President, Standard Oil Company of California, San Francisco, California.

Robert L. Clarkson, member of the Board of Directors, American Express Company, New York City. Mr. Clarkson described Mr. McCone as an energetic administrator and executive of proven ability in both business and government. He stated further that Mr. McCone is a person of the highest integrity and ethics, whose discreetness and trustworthiness are above reproach.

Morehead Patterson, Chairman, Board of Directors, American Machine and Foundry Company, New York City.

Clyde E. Weed, Chairman, Board of Directors, Anaconda Company, New York City.

Carl T. Durham, former United States Representative from the Tenth Congressional District of North Carolina, and former Vice Chairman of the Joint Congressional Committee on Atomic Energy, Chapel Hill, North Carolina. He described Mr. McCone as a capable and a deeply patriotic person who is sincere in all that he undertakes. He noted that Mr. McCone handled his affairs as Chairman of the Atomic Energy Commission in an impressive manner.

**John Alex McCone**

Clinton P. Anderson, United States Senator from New Mexico, Albuquerque, New Mexico, stated he has found Mr. McCone to be a very honest and capable person. He said that Mr. McCone is a serious and upright person, who willingly accepts his responsibilities to the Government.

Chet Holifield, United States Representative from California, Montebello, California, Chairman of the Joint Congressional Committee on Atomic Energy, stated there is no question whatsoever concerning Mr. McCone's ability, integrity and devotion to duty. He said he has the highest opinion of Mr. McCone's ability to properly administrate the Central Intelligence Agency.

Henry M. Jackson, United States Senator from Washington, Seattle, Washington. Mr. Jackson said that Mr. McCone is an excellent but hard and tough administrator. He stated that Mr. McCone is very personable and is a very good man for sensitive-type work. Mr. McCone, he stated, has the character and integrity needed to head the Central Intelligence Agency.

Jack Westland, United States Representative from Washington, Everett, Washington, stated that Mr. McCone is an excellent administrator, who has the respect of "both sides of the aisle on Capitol Hill."

Bourke B. Hickenlooper, United States Senator from Iowa, Des Moines, Iowa, said he considers Mr. McCone "tops" in ability, integrity, moral character and personal habits.

Clair Engle, United States Senator from California, Los Angeles, California, characterized Mr. McCone as a most able, patriotic and responsible person, who

John Alex McCone

possesses a great amount of drive and integrity.

Charles Melvin Price, United States Representative from Illinois, East St. Louis, Illinois, commented that Mr. McCone is truly "one of the outstanding men in the country."

Wallace F. Bennett, United States Senator from Utah, Salt Lake City, Utah, described Mr. McCone as a brilliant person, who is fair in all his dealings. He said Mr. McCone is above reproach in his personal life. Mr. McCone, he stated, is outstanding in his executive and administrative ability and is a truthful, dependable and tireless worker.

William H. Bates, United States Representative from Massachusetts, Salem, Massachusetts.

John O. Pastore, United States Senator from Rhode Island, Providence, Rhode Island.

Thomas H. Kuchel, United States Senator from California, Anaheim, California.

Craig Hosmer, United States Representative from California, Long Beach, California.

George D. Aiken, United States Senator from Vermont, Putney, Vermont.

Henry C. Dworshak, United States Senator from Idaho, Boise, Idaho, stated he has the greatest respect for Mr. McCone as an administrator, a leader and a man. Mr. McCone, he said, is tactful and has demonstrated his ability to get along well and guide the political factions of

John Alex McCone

the Joint Congressional Committee on Atomic Energy.

Albert Thomas, United States Representative from Texas, Washington, D. C.

Richard B. Russell, United States Senator from Georgia, Washington, D. C.

Loren K. Olson, Commissioner, United States Atomic Energy Commission, Washington, D. C., described Mr. McCone as the most intelligent man he has ever met. He said Mr. McCone is honest, forthright and outstanding in every way.

John S. Graham, Commissioner, United States Atomic Energy Commission, Washington, D. C., described Mr. McCone as a "two-fisted" dynamic person of high moral and religious convictions. He stated Mr. McCone has a strong desire to do a good job, and he demands that people working under his supervision also do a good job.

Robert E. Wilson, Commissioner, United States Atomic Energy Commission, Washington, D. C., stated that the only adverse comments that he has heard concerning Mr. McCone have originated from a certain segment of those in the scientific field. Some scientists, he said, believe that the United States should not conduct nuclear tests at any cost, whereas Mr. McCone has been in favor of such tests. He commented that this criticism of Mr. McCone should in no way reflect adversely upon him.

Seven other persons, who have had a business association with Mr. McCone, commented favorably concerning him, and they recommended him for a position of trust and confidence.

John Alex McCone

Close Relatives

In addition to his wife, Mr. McCone has the following close relatives:

Sister, Mrs. Donald C. (Mary Louise) Shelby,  
Los Angeles, California;

Sister, Mrs. J. W. (Margaret) Aicher,  
Pasadena, California;

Sister, Miss Alicia J. McCone, Arlington,  
California.

Credit and Arrest Checks

Information has been received from the appropriate credit reporting agencies and law enforcement agencies indicating that their files contain either no record or no additional pertinent information concerning Mr. McCone or his close relatives.

Security Clearance

The files of the Washington Area Security Office, United States Atomic Energy Commission, Washington, D. C., show that Mr. McCone was granted a "Q" clearance on June 19, 1950. This clearance was terminated on October 5, 1953. The "Q" clearance was reinstated on June 8, 1958, and is presently active. No additional pertinent information is contained in the above files.

Agency Checks

Information has been received from the Bureau of Personnel Investigations, Civil Service Commission; House Committee on Un-American Activities; and the Central Intelligence Agency indicating that their files contain either no record or no additional pertinent information concerning Mr. McCone.

The central files of the Federal Bureau of Investigation contain no additional pertinent information concerning Mr. McCone.



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to  
File No.

WASHINGTON 25, D. C.

November 2, 1961

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-82 BY SP4 BJA/DFW  
II432859

JOHN ALEX MC CONE

The information set out hereinafter covers  
Mr. McCone's activities since June, 1958.

Residence

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Whitehaven Street, Northwest, Washington, D. C.

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Tankers Corporation, and Chairman of the Board of Directors of  
Joshua Hendy Corporation, both of Los Angeles, California.

In addition, Mr. McCone is a member of the Board of  
Directors of Standard Oil Company of California, San Francisco,  
California; Trans World Airlines, Los Angeles, California;  
Western Bancorporation (formerly known as First America  
Corporation), Los Angeles, California; First Western Bank and  
Trust Company, Los Angeles, California; and Pacific Mutual Life  
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Officials of the above firms have advised that  
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John Alex McCone

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William C. Ryan, President, Joshua Hendy Corporation, and Vice President of Panama Pacific Tankers Corporation, both of Los Angeles, California. Mr. Ryan said that Mr. McCone is a devoted public servant of the highest integrity, whose administrative ability is outstanding.

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Herbert H. G. Nash, Secretary, Board of Trustees, California Institute of Technology, Pasadena, California. Mr. Nash noted that Mr. McCone served as a member of the Board of Trustees of the California Institute of Technology from 1946 until 1958.

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Howard Hanson, Secretary, First Western Bank and Trust Company, Los Angeles, California. Mr. Hanson stated that he has been very impressed by Mr. McCone's ability and wide knowledge in various fields of business.

John Alex McCone

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John Alex McCone

Clinton P. Anderson, United States Senator from New Mexico, Albuquerque, New Mexico, stated he has found Mr. McCone to be a very honest and capable person. He said that Mr. McCone is a serious and upright person, who willingly accepts his responsibilities to the Government.

Chet Holifield, United States Representative from California, Montebello, California, Chairman of the Joint Congressional Committee on Atomic Energy, stated there is no question whatsoever concerning Mr. McCone's ability, integrity and devotion to duty. He said he has the highest opinion of Mr. McCone's ability to properly administrate the Central Intelligence Agency.

Henry M. Jackson, United States Senator from Washington, Seattle, Washington. Mr. Jackson said that Mr. McCone is an excellent but hard and tough administrator. He stated that Mr. McCone is very personable and is a very good man for sensitive-type work. Mr. McCone, he stated, has the character and integrity needed to head the Central Intelligence Agency.

Jack Westland, United States Representative from Washington, Everett, Washington, stated that Mr. McCone is an excellent administrator, who has the respect of "both sides of the aisle on Capitol Hill."

Bourke B. Hickenlooper, United States Senator from Iowa, Des Moines, Iowa, said he considers Mr. McCone "tops" in ability, integrity, moral character and personal habits.

Clair Engle, United States Senator from California, Los Angeles, California, characterized Mr. McCone as a most able, patriotic and responsible person, who

John Alex McCone

possesses a great amount of drive and integrity.

Charles Melvin Price, United States Representative from Illinois, East St. Louis, Illinois, commented that Mr. McCone is truly "one of the outstanding men in the country."

Wallace F. Bennett, United States Senator from Utah, Salt Lake City, Utah, described Mr. McCone as a brilliant person, who is fair in all his dealings. He said Mr. McCone is above reproach in his personal life. Mr. McCone, he stated, is outstanding in his executive and administrative ability and is a truthful, dependable and tireless worker.

William H. Bates, United States Representative from Massachusetts, Salem, Massachusetts.

John O. Pastore, United States Senator from Rhode Island, Providence, Rhode Island.

Thomas H. Kuchel, United States Senator from California, Anaheim, California.

Craig Hosmer, United States Representative from California, Long Beach, California.

George D. Aiken, United States Senator from Vermont, Putney, Vermont.

Henry C. Dworshak, United States Senator from Idaho, Boise, Idaho, stated he has the greatest respect for Mr. McCone as an administrator, a leader and a man. Mr. McCone, he said, is tactful and has demonstrated his ability to get along well and guide the political factions of

John Alex McCone

the Joint Congressional Committee on Atomic Energy.

Albert Thomas, United States Representative from Texas, Washington, D. C.

Richard B. Russell, United States Senator from Georgia, Washington, D. C.

Loren K. Olson, Commissioner, United States Atomic Energy Commission, Washington, D. C., described Mr. McCone as the most intelligent man he has ever met. He said Mr. McCone is honest, forthright and outstanding in every way.

John S. Graham, Commissioner, United States Atomic Energy Commission, Washington, D. C., described Mr. McCone as a "two-fisted" dynamic person of high moral and religious convictions. He stated Mr. McCone has a strong desire to do a good job, and he demands that people working under his supervision also do a good job.

Robert E. Wilson, Commissioner, United States Atomic Energy Commission, Washington, D. C., stated that the only adverse comments he has heard concerning Mr. McCone have originated from a certain segment of those in the scientific field. Some scientists, he said, believe that the United States should not conduct nuclear tests at any cost, whereas Mr. McCone has been in favor of such tests. He commented that this criticism of Mr. McCone should in no way reflect adversely upon him.

Seven other persons, who have had a business association with Mr. McCone, commented favorably concerning him, and they recommended him for a position of trust and confidence.

John Alex McCone

Close Relatives

In addition to his wife, Mr. McCone has the following close relatives:

Sister, Mrs. Donald C. (Mary Louise) Shelby,  
Los Angeles, California;

Sister, Mrs. J. W. (Margaret) Aicher,  
Pasadena, California;

Sister, Miss Alicia J. McCone, Arlington,  
California.

Credit and Arrest Checks

Information has been received from the appropriate credit reporting agencies and law enforcement agencies indicating that their files contain either no record or no additional pertinent information concerning Mr. McCone or his close relatives.

Security Clearance

The files of the Washington Area Security Office, United States Atomic Energy Commission, Washington, D. C., show that Mr. McCone was granted a "Q" clearance on June 19, 1950. This clearance was terminated on October 5, 1953. The "Q" clearance was reinstated on June 8, 1958, and is presently active. No additional pertinent information is contained in the above files.

Agency Checks

Information has been received from the Bureau of Personnel Investigations, Civil Service Commission; House Committee on Un-American Activities; and the Central Intelligence Agency indicating that their files contain either no record or no additional pertinent information concerning Mr. McCone.

The central files of the Federal Bureau of Investigation contain no additional pertinent information concerning Mr. McCone.

F B I

Date: 11/3/61

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL \_\_\_\_\_  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669) - P

JOHN ALEX MC CONE  
SPECIAL INQUIRY

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DW

IL 432859

ReWFOairtel, 11/1/61.

Enclosed for the Bureau are the original and one copy of the Internal Revenue report received by SA ROBERT J. PERRY on 11/3/61.

The files of the U. S. Secret Service, U. S. Treasury Department, as caused to be searched by SA MAURICE F. DONEGAN on 11/1/61, revealed no record for the appointee.

Will report results of interview with Admiral H. G. RICKOVER. Check of records at OSI and State Passport outstanding.

- ③ - Bureau (Encs. 2)  
1 - WFO

FTH:djt  
(4)AIRTEL

2 ENCLOSURE

161-1709-52

NOT RECORDED

16 JAN 8 1962

Spec. Ind.

Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

2-cc destroyed 11-27-61 WHB/bjs

# FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>LOS ANGELES</b>	OFFICE OF ORIGIN <b>BUREAU</b>	DATE <b>11/3/61</b>	INVESTIGATIVE PERIOD <b>11/2/- 3/61</b>
TITLE OF CASE  <b>JOHN ALEX MC CONE</b>		REPORT MADE BY <b>JAMES P. BENEDICT</b>	TYPED BY <b>rg</b>
		CHARACTER OF CASE  <b>SPECIAL INQUIRY</b>	

REFERENCE:

Washington Field teletype to the Bureau 11/1/61.

- RUC -

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-82 BY SP4BJA/DFW

#432859

- A\* -

COVER PAGE

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:  1 - Bureau (AM) 1 - Los Angeles (161-385)		161-1709-53	
		NOT RECORDED 13 NOV 6 1961	
DISSEMINATION RECORD OF ATTACHED REPORT		NOTATIONS <i>[Signature]</i>	
AGENCY			
REQUEST RECD.			
DATE FWD.			
HOW FWD.			
BY			

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

## Copy to:

Report of: JAMES P. BENEDICT  
Date: November 3, 1961

Office: Los Angeles, California

Field Office File No.: 161-385

Bureau File No.:

Title: JOHN ALEX MC CONE

Character: SPECIAL INQUIRY

NOV 16 1961  
FBI - LOS ANGELES  
161-385-12 SP4 BJA/DFW  
#432859

## Synopsis:

TERRANCE M. LEE, aid to MC CONE, commented favorably concerning associates, reputation, character, integrity, and ability.

- RUC -

DETAILS:

On November 3, 1961, TERRANCE M. LEE, aid to Mr. MC CONE, Joshua Hendy Corporation, 612 South Flower Street, Los Angeles, California, advised that Mr. MC CONE and his wife are currently residing in Washington D. C., and to the best of his knowledge, will assume the directorship of the Central Intelligence Agency approximately November 14, or 15, 1961. Mr. LEE stated that subsequent to leaving his duties with Atomic Energy Commission, Mr. MC CONE associated himself only with the Panama Pacific Tankers Corporation, and the Joshua Hendy Corporation, and accepted positions on the boards of directors for the Standard Oil Company of California, at San Francisco, California; the Trans World Airlines; Western Bancorporation; the First Western Bank and Trust Company and the Pacific Mutual Life Insurance Company of Los Angeles. He stated that Mr. MC CONE has submitted his resignation to each of the above corporations, to become effective prior to, or on the date of the assumption of his duties with the Central Intelligence Agency.

LA 161-385

Mr. LEE stated that he has been associated with Mr. MC CONE for more than 20 years and he has found him to be a person of the highest integrity, unquestioned character and reputation, a loyal United States citizen, and a man who chooses his associates wisely. LEE stated that Mr. MC CONE is possessed with an enormous amount of executive and administrative ability, and he would recommend him most highly to any position of trust involving the security of the United States.

F B I

Date: 11/7/61

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL \_\_\_\_\_  
(Priority or Method of Mailing)

Mr. Tolson	_____
Mr. Belmont	_____
Mr. Mohr	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. DeLoach	_____
Mr. Evans	_____
Mr. Malone	_____
Mr. Rosen	_____
Mr. Sullivan	_____
Mr. Tavel	_____
Mr. Trotter	_____
Tele. Room	_____
Mr. Ingram	_____
Miss Gandy	_____

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669) (RUC)

JOHN ALEX MC CONE  
SPI

Re WFOairtel 11/7/61.

The files of the Office of Special Investigations, United States Department of the Air Force as caused to be searched by IC JAMES D. BARNHARDT on 11/7/61, reflect no additional pertinent information concerning the appointee. Check of records at Passport Office outstanding.

3-Bureau  
1-WFO

FTH:sro  
(4)

AIRTEL

161-1709-54  
NOT RECORDED  
16 JAN 8 1962

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
II432859

Spec. Inv.

Approved: mwj Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

1-cc destroyed 11-27-61 WHP/SB

F B I

Date: 11/7/61

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL \_\_\_\_\_  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, WFO (77-26669) (P)

JOHN ALEX MC CONE  
SPI

ReWFOairtel 11/3/61.

On 11/3/61, Vice Admiral HYMAN G. RICKOVER, Head of the Navy Reactor Branch, advised SA CHARLES M. BEALL, JR., he has known the employee professionally and socially for the past four to five years. Admiral RICKOVER advised that the employee is an excellent executive and administrator. He vouched for MC CONE's character, associates, reputation and loyalty. Admiral RICKOVER recommended the employee for a position of trust and confidence.

WFO will report results of outstanding records at OSI and State Passport.

3-Bureau  
1-WFO  
FTH:mcw  
(4)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

II 432859

AIRTEL

161-1709-55  
NOT RECORDED  
12 NOV 7 1961

2-cc destroyed 11-27-61 WFO/DFW  
Approved: MW JFW Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

*1766 AC 1041  
6-18-71  
off copy*

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW  
#432859

November 17, 1961

BY COURIER SERVICE

Nov 17 1 27 PM '61  
REC'D-READING ROOM  
FBI

Honorable P. Kenneth O'Donnell  
Special Assistant to the President  
The White House  
Washington, D. C.

My dear Mr. O'Donnell:

Reference is made to my letter dated November 2, 1961, which furnished you a summary memorandum containing the results of an investigation concerning Mr. John Alex McCone.

Information has now been received from the Office of Special Investigations, Department of the Air Force, indicating that its files contain no pertinent information concerning Mr. McCone. Information was also received from the United States Secret Service indicating it has no record of Mr. McCone.

The records of the Passport Office, Department of State, show that since October 27, 1958, Mr. McCone has been issued two passports for travel to Europe on official business of the United States Government.

b3 per IRS

BY COURIER SVC.  
COMM-FBI

Tolson  
Belmont  
Mohr  
Callahan  
Conrad  
DeLoach  
Evans  
Malone  
Rosen  
Sullivan  
Tavel  
Trotter  
Tele. Room  
Ingram  
Gandy

WHB:nam  
(6)

67 FEB 21 1962

TELETYPE UNIT

RECORDED  
1962

161-1709-5697

Honorable P. Kenneth O'Donnell

b3 per IRS

The following individuals, who have known Mr. McCone on a social and professional basis from four to twenty years, described him as an excellent administrator and executive, whose character, reputation, associates and loyalty are above reproach. They recommended Mr. McCone for a position of trust and confidence:

Arthur W. Radford, Admiral, United States Navy, retired, Washington, D. C.;

Hyman G. Rickover, Vice Admiral, United States Navy, Washington, D. C.;

Roswell L. Gilpatric, Deputy Secretary of Defense, Department of Defense, Washington, D. C.;

Glenn T. Seaborg, Chairman, United States Atomic Energy Commission, Washington, D. C.;

Charles C. Tillinghast, Jr., President, Trans World Airlines, New York City;

Ralph G. Follis, Chairman, Board of Directors, Standard Oil Company of California, New York City; and

Terrance M. Lee, aide to Mr. McCone.

Eugene J. McCarthy, United States Senator from Minnesota, Washington, D. C., advised that he is not personally acquainted with Mr. McCone.

This concludes the investigation in this case.

Sincerely yours,

J. EDGAR HOOVER





CCCCA Friday, January 12, 1962  
THE SAN FRANCISCO CHRONICLE

## Merry-Go-Round

PAGE 35

# How McCone Got His Start in Business



Drew Pearson

PRESIDENT KENNEDY has picked some A-1 men for high office—some of the best in the past two decades. But the President must have had his mind on the Berlin crisis when he picked John A. McCone to head the Central Intelligence Agency.

Looking back over McCone's past, he has a record for making money out of Uncle Sam unequalled by any other man now in Government. Cross-examined regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the Government had put up almost all the capital for their California Shipbuilding Co., of which McCone was president. It netted around a \$44 million profit.

"What was the total cost to the Government of building your yard?" asked committee counsel Marvin Coles.

"Some \$25 million," replied McCone. "How much of the moneys of your corporation were invested in the physical yard?"

"Very little," replied the president of the company.

"With material supplied by the Government, with labor paid for by the Government, with interest on borrowed capital paid for by the Government, with management salaries paid for by the Government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The committee also developed the fact that the Government had turned over to McCone, Kaiser et al, all of the Government's materials, machinery, and other

facilities located at the shipyard estimated as worth about \$14 million.

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the Government?" Coles asked.

"We relieved the Maritime Commission of all their obligations and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," McCone said.

"Did you receive in addition \$2.5 million in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2.5 million."

Representative Alvin Welch, Ohio Republican, also brought out the fact that McCone-Kaiser deducted from income taxes \$4 million in nonreimbursable expenses.

Summarizing the facts, McCone's fellow Republican Congressman Welch said: "The total number of ships you built was 467. The plant cost the Government \$25 million. There was \$14 million worth of property there when it was finished and you got \$2.5 million credit. That is roughly \$41 million."

Welch concluded: "Altogether your company got \$91 million for building 467 ships. Roughly, without the deduction of taxes, it cost the Government nearly \$200,000 in fees for each ship built by your company."

That was how John A. McCone, now nominated to be head of CIA, got his big start up the business ladder to big Government jobs and more profits in business.

(Copyright, 1962)

161-1709-57

...CLOSURE

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DR

11432859

24. Blades Way  
Walnut Creek, Calif.  
January 12, 1962

Mr. J. Edgar Hoover, F.B.I.  
Washington, D.C.

Dear Sir:

Let me state first that I am not, have never been, nor will I ever be a member of the Communist Party.

Several times recently I have noticed news articles relating to your work in rounding up or checking on certain known Communists. You are certainly to be commended in your efforts in this regard. However, it would seem to me that greater efforts should and could be made in holding down the "converts" to Communism here in the United States. I refer to the enclosed Drew Pearson article in the SAN FRANCISCO CHRONICLE, dated January 12, 1962. Previous articles appeared on Jan. 10th and 11th, also dealing with John A. McCone by Mr. Pearson. I have an A.B. degree in Education - Arizona State U., Tempe, 1933, so I do not consider myself the "dumb slob" some people refer to when describing the American Voters! I feel qualified to judge and interpret what I read in the papers or hear on radio and TV. When articles such as this are printed in a metropolitan newspaper there is bound to be a growing resentment by the readers against a government which not only condones but encourages such practices. For this article is but one of many released by Mr. Pearson. Very few have been challenged, in spite of what my good friend, the Hon. John F. Baldwin, House of Reps., says. I have called his attention to some of them, even suggesting that Congress enact a law making the death sentence mandatory in all such cases where they are proven guilty. (I just saw an article this week where some former General in Korea was sentenced to death because of malfeasance in office). Mr. Baldwin did not think such a law would have a chance to be passed, thereby in a sense intimating that members of Congress might themselves be involved in such a case at some future date. (I am sending him a copy of this, just to let him know I am getting around again after a serious heart attack on August 29, 1961. No more C. of C., however, John.)

Even when they are found guilty these politicians and "big shots" are not given the deserved punishment, thereby adding fuel to the Communist fire. They are allowed to resign, sometimes on a fat pension. And the "dumb slob" is supposed to go right on being a "dumb slob". Don't you see what this is doing to the American Public, Mr. Hoover? Our government is not just kindling the fires of Communism but is adding very inflammable fuel to it. The taxpayers are reaching the breaking point. They feel that the working man's song should be revised: "... The rich get Richer and the Poor get 66 On", and I'm sure you get my botched up meaning.

It has been stated - and not just by Republicans - that the Kennedy clan Six Million dollars to put him in the White House. No most business people who are successful (and the Kennedys are acknowledged successful business people) expect a commensurate return on their investments. Just how do they plan to recoup 6 Millions Plus the untold millions "donated" by cronies?

I started being a good Democrat back in 1928 but now I wonder??? (Does this letter warrant an answer from either of you?)

G.C. John F. Baldwin

Respectfully yours,  
C.R. Johnston

ARIZ

50 JAN 26 1962

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-82 BY SP4 BJA/DFJ

1432859

EX-105

REC-9

161-1709-57

ENCLOSURE

161-1709-58

January 22, 1962

Mrs. Mary J. ~~Fulton~~  
7239 Second Avenue North  
St. Petersburg 10, Florida

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

Dear Mrs. Fulton:

I have received your letter of January 13, 1962, with enclosure, and the interest which prompted you to communicate with me is appreciated.

In response to your inquiry, I must advise you that the allegations about the FBI contained in the newspaper column written by Drew Pearson are completely without foundation.

Sincerely yours,

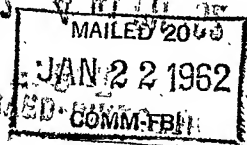
J. Edgar Hoover

John Edgar Hoover  
Director

NOTE: Correspondent is not identifiable in Bufiles. In a memorandum of 1-17-62 from Mr. Cleveland to Assistant Director Evans, Drew Pearson's column was analyzed and it was noted his allegations regarding the FBI are completely without foundation.

BS:pdh  
(3)

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Evans \_\_\_\_\_  
Malone \_\_\_\_\_  
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Sullivan \_\_\_\_\_  
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Tele. Room \_\_\_\_\_  
Ingram \_\_\_\_\_  
Gandy \_\_\_\_\_



MAIL ROOM ☒

TELETYPE UNIT ☐

## MERRY-GO-ROUND

# Was FBI Asleep When McCone Got Nod?

By DREW PEARSON

WASHINGTON — President Kennedy has picked some A-1 men for high office — some of the best in the past two decades. But either the FBI was asleep or the President had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency which has a vital influence over American foreign policy.

Looking back over McCone's past, he has a record for making money out of Uncle Sam unequalled by any other man now in government. The record is all spelled out in congressional hearings, and it would have been easy for the FBI to have read it.

CROSS-EXAMINED regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the government had put up almost all the capital for their California Shipbuilding Co., of which McCone was president. It netted around a \$44 million profit.

"What was the total cost to the government of building your yard?" asked committee counsel Marvin Coles.

"Some \$25 million," replied McCone.

"How much of the monies of your corporation were invested in the physical yard?"

"VERY LITTLE, very little," replied McCone.

"Were there any profits to subcontractors?"

"Oh yes, there must have been."

"Did any of the executive receive management salaries that were reimbursable by the commission?"

"The executives were reimbursed in a manner agreed to by the commission."

"And that was with government funds?" McCone was asked.

"That is correct."

"WITH MATERIAL supplied by the government, with labor paid for by the government, with interest on borrowed capital paid for by the government, with management salaries paid for by the government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The House Merchant Marine Committee also developed the fact that the government had turned over to McCone, Kaiser et al, all of the government's materials, machinery and other facilities located at the shipyard estimated as worth about \$14 million.

"THE GOVERNMENT put in \$25 million to the building of this yard," counsel Coles asked. "At the time of the completion of the contract was there any government-owned shipbuilding material in California Shipbuilding Co's yards?"

"There was," was McCone's laconic reply.

Coles asked, if the value of \$14 million was accurate.

"That might have been the original cost of it, but a large percentage of it was nothing."

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the government?" Coles asked.

"We relieved the Maritime Commission of all their obliga-

tions and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," was McCone's alibi.

"DID YOU RECEIVE in addition to this yard that had cost \$25 million and this material which may have cost \$14 million, an additional sum of \$2.5 million in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2.5 million."

"So in effect you got an additional \$2.5 million, did you?"

"You might put it that way," finally admitted the president of the shipping company.

*for McCone  
see 161-1709*

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW  
II 432859

*141-1709-58*

ENCLOSURE

St. Petersburg Times  
January 12, 1962  
St. Petersburg, Florida

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. DeLoach	✓
Mr. Evans	✓
Mr. Malone	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Mr. Ingram	✓
Miss Gandy	✓

*fb 7-1*

Jan. 13-1962

Dear Mr. Hoover,

If the enclosed article is correct,

then W H Y ?

*John A. MC CONE*

Mrs. Mary J. Fulton  
7239 Second Ave. No.  
St. Petersburg 10,  
Florida.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
11432859

~~EXP. PROC.~~  
JAN 17 1962  
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BS: ljk: jhs  
ENCLOSURE  
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EX-104

REC-14

161-1709-58

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UNITED STATES GOVERNMENT

## Memorandum

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
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 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Ingram \_\_\_\_\_  
 Gandy \_\_\_\_\_

TO :

Mr. Evans

DATE: 1/16/62

FROM :

W. V. Cleveland

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

# 432859

SUBJECT:

JOHN ALEX MC CONE

SPECIAL INQUIRY - WHITE HOUSE

Applicant-type investigations were conducted concerning Mr. McCone in 1947-1948, 1950-1951, 1954 and 1958. In 1958 at the request of the Eisenhower Administration, we conducted an applicant investigation of McCone who was being considered as the Chairman of the Atomic Energy Commission. In October, 1961, the Kennedy Administration requested that the investigation of McCone be brought up to date.

During the 1958 investigation, information was developed that McCone when Under Secretary of the Air Force was alleged to have shown favoritism or personal interests in awarding a \$190,000,000 aircraft contract in 1951 to the Kaiser-Frazer Corporation. The allegation was refuted by prominent individuals in possession of knowledge concerning same. Allegations that McCone was involved in the illegal or unethical purchase of surplus vessels from the U.S. Government were also refuted during the investigation by individuals, including officials of the U.S. Maritime Commission.

During the 1958 investigation Mr. McCone was interviewed concerning his business activities. Records of U.S. Maritime Commission were also reviewed and no information was obtained indicating illegal or unethical business practices on the part of Mr. McCone were developed. It is to be noted his business practices were also discussed with him at the hearing when he was confirmed as Chairman of the Atomic Energy Commission in July, 1958.

The results of our previous investigations were summarized in memoranda dated May 5, 1954; June 12, 1958; June 24, 1958; and June 30, 1958, a copy of each was furnished to the White House on October 25, 1961.

By letter dated November 2, 1961, a summary memorandum covering McCone's activities since 1958 was furnished to the Kennedy Administration.

No derogatory information was developed during the 1961 investigation concerning McCone, and he was described as a person of outstanding ability, a natural leader and an excellent organizer and administrator.

Attachments

1 - Mr. DeLoach

WHB:llb/crl

- 6 -

67 FEB 21 1962

FEB 21 1962

Memo Cleveland to Evans  
RE: JOHN ALEX MC CONE

One Ralph P. Flegal, San Francisco, California, a former employee in one of McCone's business enterprises, alleged that during World War II McCone in his business practices made excessive profits bordering on profiteering. Flegal was confined in a mental hospital in California from 1954 to 1960 and as of November, 1961, he was on leave at home from the hospital but was under continuous supervision. This information was not included in either the transmittal letter or summary memorandum furnished to the White House.

By letter dated January 13, 1962, received January 15, 1962, Herbert H. Seidler, Santa Barbara, California, advised that a local Santa Barbara paper contained a syndicated column of Drew Pearson's of previous date captioned "FBI Overlooks McCone's Gravy," wherein Pearson questioned the awareness of the FBI in connection with the past history of McCone.

ACTION

Mr. DeLoach's Office is obtaining a copy of Pearson's article. When it is obtained, it will be analyzed, and you will be advised. Mr. Seidler's letter is being acknowledged.

Summary memoranda together with the report of SA Vincent W. Hughes dated at Los Angeles, 6-18-58 containing the interview with Mr. McCone are attached.

*ESP* *V.* *WPH* *CIS*

Attached is the article.  
Analyze it & see if one  
included in our reports & the  
documentation given.

*Memo Cleveland to  
Evans 1-17-62  
WPH*



UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to  
File No.

WASHINGTON 25, D. C.

June 30, 1958

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

JOHN ALEX McCONE

Information set forth hereinafter reflects the results of additional inquiries made by this Bureau concerning Mr. McCone.

Mr. Thomas K. Finletter, attorney, Coudert Brothers, New York City, advised that he was the chairman of former President Truman's Air Policy Commission on which Mr. McCone served as a member from approximately 1947 to 1948. He further stated that he was Secretary of the United States Air Force when Mr. McCone was Under Secretary from 1950 to 1951. Mr. Finletter stated that he considered Mr. McCone to be a man of exceptional mental and administrative ability and of the very highest personal integrity. He stated that in his opinion Mr. McCone is a loyal American citizen of excellent character, associates and reputation and he highly recommended him for a position of trust.

Mr. Finletter continued by stating he recalled a meeting which took place in former President Truman's office in approximately 1950, at which time he, the President and Mr. McCone were present. He stated that at this meeting Mr. McCone agreed to accept an appointment as Under Secretary of the United States Air Force with the stipulation that it would be for one year only. Mr. Finletter said that this stipulation on the part of Mr. McCone resulted from the fact that Mr. McCone was engaged in many business activities at the time and was reluctant to neglect them for a longer period.

Mr. John J. McLaughlin, Administrative Assistant to the Secretary of the Air Force, exhibited Mr. McCone's letter of resignation as Under Secretary of the Air Force.

This letter, which is retained in Mr. McCone's personnel file, is directed to the President and is dated October 5, 1951.

NOTE UNDER-  
LINED TP ON  
PAGE 11.

161-1709-60  
ENCLOSURE

JOHN ALEX McCONE

Mr. McCone in his letter of resignation, stated that when he accepted his position, he did so with the "idea" that he would serve for a period of one year and that this period "has extended a year and a half."

He further stated in the above-mentioned letter that he desired to leave the Air Force "to return to private life."

Mr. Thomas Coggeshall, chairman, Renegotiations Board, Washington, D. C., advised that he was formerly with the old Air Force Renegotiations Board during the time Mr. McCone was Under Secretary of the Air Force. Mr. Coggeshall stated that in this capacity he became professionally acquainted with Mr. McCone. Mr. Coggeshall stated that he found Mr. McCone to be a capable and energetic Government official. Mr. Coggeshall advised that Mr. McCone was a sound businessman and discharged his duties as a Government official in a vigorous manner "representing the Government's position" at all times.

Mr. Coggeshall stated he is aware that Mr. McCone has been recently nominated to be a member of the Atomic Energy Commission (AEC) and stated that he is personally "delighted" to see such a sound appointment because of Mr. McCone's excellent record in both Government and private business.

Mr. Coggeshall stated that the Bechtel-McCone-Parsons Corporation and the Bechtel-McCone Corporation have had matters before the Renegotiations Board. Mr. Coggeshall explained that this is no reflection upon either of these corporations or Mr. McCone because it is the intended purpose of the board to examine contracts with the idea of "equitable renegotiation in the light of some unseen subsequent event." Mr. Coggeshall stated that it was his recollection that these corporations "never caused the slightest bit of trouble" and "there was an agreement of settlement between the Government and these organizations" in which they agreed to pay refunds to the Government. Mr. Coggeshall stated that Mr. McCone personally was not connected with any of these renegotiation matters.

Mr. Coggeshall, after stating the above, recalled that while he, Mr. Coggeshall, was connected with the Air Force Renegotiations Board, Mr. McCone called him to his office and

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instructed him to make a survey of Air Force contracts with private interests paying particular attention to the possibility of renegotiating contracts "to prevent private concerns from getting windfall profits." Mr. Coggeshall stated that Mr. McCone was vitally aware that the Government lets many contracts and that it was possible that firms could "take the Government." Mr. Coggeshall stated that, in his opinion, Mr. McCone's background in private business made him aware of that possibility and Mr. McCone had the taxpayers' interests in mind at all times.

A review of the United States Maritime Commission's ship file for the vessel "McKittrick Hills," T2-SE-A1, indicated that the "McKittrick Hills" was allocated for sale under the Merchant Ship Sales Act of 1946 to the Pacific Tankers, Incorporated (citizens sale). The contract was signed February 17, 1948, and title was transferred from the United States Maritime Commission to the Pacific Tankers, Incorporated, at Wilmington, Delaware, March 16, 1948, at 1:00 p.m., Eastern Standard Time.

The statutory sales price, unadjusted, amounted to \$2,026,500. The purchase price of the vessel stated in the mortgage foreclosing March 15, 1948, was \$1,652,163.43, payable \$415,363.43 cash or its equivalent on or before closing and the balance as stated in the mortgage and notes.

It is to be noted that adjustments were made for repair, dockage, insurance, depreciation, removal of national defense and war service features, leap year depreciation, et cetera.

The file contained nothing of an unfavorable nature concerning the Pacific Tankers, Incorporated, and contained no information concerning Mr. McCone.

A review of the United States Maritime Commission's ship file for the vessel "Montebello Hills," T2-SE-A1, reflected that this ship was disposed of in substantially the same manner as was the "McKittrick Hills." Nothing of an unfavorable nature was noted with reference to the Pacific Tankers, Incorporated, or Mr. McCone.

A review of the United States Maritime Commission's file captioned "Pacific Tankers, Incorporated," reflected no unfavorable information concerning this firm or Mr. McCone.

JOHN ALEX McCONE

Mr. Robert S. Pitzer, chief investigator and security officer, United States Maritime Commission, advised that a review of his files reflected no unfavorable information concerning Mr. McCone or the Pacific Tankers, Incorporated. Mr. Pitzer explained that the Pacific Tankers, Incorporated, was a bona fide established corporation engaged in ship transportation. Mr. Pitzer stated that in this capacity during the war (World War II) the firm operated for the Government (United States Maritime Commission) a number of ships as general agent and had approximately at the peak in 1946, seventy-eight vessels in service. In accordance with established procedure after the war, the Pacific Tankers, Incorporated, purchased from the Government two of the ships they formerly operated as general agent, the "McKittrick Hills" and the "Montebello Hills," which the firm used in the shipping business.

Mr. Herbert Brezil, chief, Reports and Statistics Branch, Division of Construction and Supply, United States Atomic Energy Commission, Germantown, Maryland, advised that his records are the central indices for current contracts with the AEC which total \$25,000 or more. He advised he has no record for contracts of lesser amounts. He advised in addition his records, which are for construction and architect-type contracts, go back only to 1949 and to 1952 on other types of contracts such as supply contracts and research and development contracts.

Mr. Brezil advised he has no reference in his files to Bechtel-McCone-Parsons Corporation or Bechtel-McCone Corporation.

Mr. Brezil pointed out that the AEC did not come into being until January, 1947, and that prior to that time, the related work taken over by AEC was done by the Manhattan Engineer District. When AEC came into being, existing records were taken over by AEC.

Mr. David H. Carey, assistant chief, Statistical Branch, Division of Construction and Supply, United States Atomic Energy Commission, Germantown, Maryland, advised he has no reference of any kind in his central indices of past or present contracts with the AEC with reference to the Joshua Hendy Corporation. Mr. Carey advised his office has no record of any evaluation file on the Joshua Hendy Corporation since such files are set up only on those concerns with which the AEC actually had a contract.

JOHN ALEX McCONE

It is also noted Miss Lola Jaques, contracting officer, Office of the Secretary of Defense, Washington, D. C., advised that the AEC took over the records pertaining to contracts from the Manhattan Engineer District in January, 1947, when the AEC was established. Miss Jaques advised further that these contracts would be located at the AEC in Germantown, Maryland.

As indicated previously no contracts concerning Mr. McCone or the Bechtel-McCone-Parsons Corporation or the Bechtel-McCone Corporation were located at the AEC, Germantown, Maryland.

Mr. Kenneth K. Bechtel, chairman of the board, Industrial Indemnity Company, 155 Sansome Street, San Francisco, California, who is also a director and stockholder in the Bechtel Corporation, 220 Bush Street, San Francisco, California, advised that his comments concerning Mr. McCone are necessarily based upon his best recollection of past events extending over the past twenty odd years and, without reference to specific records which would require considerable additional time, he cannot be certain of the dates and estimated figures furnished. He stated that it should be clearly understood that John McCone is a very capable and highly talented man in the construction field and it is by virtue of these talents, the trust he has derived from his business associates and his marked financial success in business which underwent phenomenal growth immediately prior to, during and subsequent to World War II, that he has attained the very favorable financial and business stature of the present date.

Mr. Bechtel advised that he has never been aware of any unethical practices, business or otherwise, by Mr. McCone but, on the contrary, Mr. Bechtel considers Mr. McCone one of the few men he has known in the business world who has never "cut corners or taken advantage to the detriment of others." He considers Mr. McCone one of the highest principled men and finest men he has ever met and one whose experience, organizational ability and leadership should assist him in becoming a real asset to the United States Government. He stated he feels that Mr. McCone will be wholly unbiased in the treatment of all matters and will consider only the best interests of the Government.

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Mr. Bechtel's first business contact with Mr. McCone was between 1931 and 1935 when the W. A. Bechtel Company and Llewellyn Ironworks or Consolidated Steel Company, with which Mr. McCone was associated, were both doing work on Boulder Dam. Mr. McCone had advanced "up the ranks" in Llewellyn Ironworks and was active in their sales organization. After Consolidated Steel Company was formed, Mr. McCone became executive vice-president and was in that position when he left to join with the Bechtels in organizing the Bechtel-McCone Corporation in 1936 or 1937.

Mr. Bechtel related that the Bechtel-McCone Corporation was organized by Kenneth K. Bechtel, W. A. Bechtel, Jr., Stephen D. Bechtel, John McCone and Hal Price. He stated that he recalls Mr. McCone had a one-third stock ownership, Stephen D. Bechtel had a one-third stock ownership, Kenneth Bechtel a one-sixth stock ownership and Hal Price a one-sixth stock ownership. Mr. Bechtel could not recall the specific interest of W. A. Bechtel, Jr., or that he had any stock investment at the time. He recalled that Mr. Price had remained a party in interest for only a short time. Mr. Bechtel stated he was certain that Mr. McCone had put up his own money as his investment in the Bechtel-McCone Corporation up to possibly \$50,000; however, the source of Mr. McCone's personal funds was not known. He recalled the original capitalization was perhaps \$100,000 to \$200,000. He stated that, prior to the organization of this company, the W. A. Bechtel Company had existed as a family interest, originally founded by W. A. Bechtel, Senior, deceased. This latter company was engaged in heavy-type construction such as bridges, dams, et cetera.

In forming the Bechtel-McCone Corporation, the purpose was to supplement the operations of the W. A. Bechtel Company, specifically in engineering and building of refineries and chemical processing plants. The main office of the Bechtel-McCone Corporation was in Los Angeles and John McCone was president or managing head of the company operations.

Mr. Bechtel advised that shortly after the Bechtel-McCone Corporation was organized, or within the first one or two years of its existence, the name was changed to the Bechtel-McCone-Parsons Corporation. The Ralph Parsons Company of Chicago, Illinois, was well known in the construction trade as a company which excelled in the technical aspects of the business and since they were anxious to expand through better sales organization methods, that company was dissolved and Ralph Parsons became a

JOHN ALEX McCONE

stockholder in the new Bechtel-McCone-Parsons Corporation with approximately ten per cent to twenty per cent ownership.

Mr. Bruce Thorne, Mr. Parsons' partner, was on the West Coast on occasion in connection with some apparent financial interest in the new company, but Mr. Bechtel stated he could not recall what, if any, specific stock ownership Mr. Thorne had in the Bechtel-McCone-Parsons Corporation. Neither was Mr. Bechtel aware of the details of Mr. Parsons' acquiring his stock ownership nor the nature of the ways he paid for his stock. He stated the name was simply changed with no change in the corporate structure and, with the new name, Mr. McCone held approximately twenty-five per cent to thirty per cent stock ownership.

Mr. Bechtel related that about 1939 or 1940, or three or four years after Mr. McCone had acquired his initial interest in the Bechtel-McCone Corporation, Mr. McCone was permitted by the Bechtel interests to purchase some stock ownership in the W. A. Bechtel Company (WABC). He stated that the reason for this move was due to Mr. McCone's ability, a feeling of the Bechtel brothers (Kenneth, Stephen and W. A. Jr.) that Mr. McCone would enhance the company's operations, the fact he was well liked by all the Bechtels and to encourage his desire to broaden his ownership interests. Mr. Bechtel recalled that Mr. McCone acquired about five to ten per cent ownership interest, for which he paid cash of somewhere in the neighborhood of \$50,000 to \$100,000. Mr. McCone was made a director of WABC at the same time.

Mr. Bechtel stated that the Bechtel-McCone-Parsons Corporation (BMPC) and WABC were in supplementary fields although owned substantially by the same people. BMPC was also designers as well as builders whereas WABC performed only building operations. Mr. Bechtel advised that BMPC and WABC sometimes operated jointly with one or more of the so-called "Big Six" companies which included Utah Construction Company, Henry J. Kaiser Company, Morrison-Knudsen, and others. He stated the purpose of such joint operations was to share risk, responsibilities, equipment and organization in certain jobs of such magnitude that more than one company was required in order to operate with the greatest efficiency. He stated that these particular companies shared mutual respect among the corporate managements; therefore, they were able to cooperate with great facility. Specifically, Mr. Bechtel referred to the Seattle-Tacoma Shipbuilding Company, Tacoma, Washington, which had

JOHN ALEX McCONE

been formed as a joint enterprise to build ships. The Todd Shipyards Corporation was the principal sponsor and designed, built and operated the Seattle-Tacoma Shipbuilding Company. Affiliated with the Todd Shipyards Corporation was the so-called "Western Group" which included members of the "Big Six" companies, BMPC and WABC.

It was in 1938 or 1939 that the Seattle-Tacoma Shipbuilding Company commenced building ships under the United States Maritime Commission, and it was Mr. Bechtel's recollection that BMPC or WABC or both, he could not recall, had an estimated ten per cent or fifteen per cent ownership interest in that company. The amount of the investment in dollars was not recalled.

In 1940 the BMPC and WABC sponsored the organization of the Todd-California Shipyards Corporation at Richmond, California, in which Todd Shipyards Corporation, the Henry J. Kaiser Company and other "Big Six" companies also participated. Mr. Bechtel recalled that the group also formed other shipyard operations including the Todd-Bath Iron Works at Bath, Maine. It was his recollection that the Todd Shipyards Corporation had an approximate one-third to one-half ownership and the "Western Group" consisting of BMPC, WABC and members of the "Big Six" companies held the same amount.

In late 1940 or early 1941, the California Shipbuilding Corporation was organized as a result of the Liberty shipbuilding program. This resulted from a request of the United States Maritime Commission which wanted to build more ships at a faster rate. BMPC was the sponsoring group with Mr. McCone operating as managing head or president of the new corporation, better known as Calships. At the beginning, funds were derived from stock purchases by the "Big Six" group and BMPC and WABC. The Todd Shipyards Corporation never acquired any interest in Calships. About this time an exchange of stock was effected by which Todd Shipyards Corporation took over the interest of the "Western Group" in the Todd sponsored shipyards and the "Western Group" assumed full management and ownership of what was believed to be the only remaining interest, the Richmond, California, shipyard, better known as Kaiser Shipyards. Details of this exchange of stock were not recalled by Mr. Bechtel. He stated that BMPC and WABC were the sponsoring group of Calships from the beginning and, he believes, they had the largest stock interest.

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About 1945, Calships was dismantled and the two concerns, BMPC and WABC, ended up as residual owners of practically all the stock.

In late 1945 the firms WABC and BMPC were liquidated with approximately five to ten million dollars in assets being distributed to the stockholders. Mr. Bechtel stated that the Bechtel Brothers-McCone Company (BBMC) was then organized but existed for only a short time. He explained that he, his brothers, Stephen and W. A. Jr., and John McCone desired to withdraw from active participation in wartime activities of these companies which had been their principal field throughout the war years and to devote more time to their peacetime interests, which included the Industrial Indemnity Company, which had continued to expand during that period with practically no guiding impetus. The BBMC had as its principal active management, William Waste, Perry Yates, Van Rosendahl and others and the Bechtel brothers, Stephen and Kenneth, and John McCone limited their stock ownership to approximately ten per cent each. In late 1946 or 1947, Kenneth Bechtel and John McCone withdrew from BBMC, both withdrawing their entire ownership interest and investment which, to the best recollection of Mr. Bechtel, amounted to between \$100,000 and \$150,000 each. Mr. Bechtel noted that neither he nor Mr. McCone realized any profit or appreciation on their stock investment in that company but, instead, it represented a great loss to both in prospective earnings. Those in management control of the company specifically requested that Stephen Bechtel remain in the company as president and leader and he did so. The company changed its name to the Bechtel Corporation by which it is presently known.

Mr. Bechtel stated that, throughout the period Mr. McCone was associated with the Bechtel companies, none of these companies had any contracts with the AEC. It was not until 1949 or 1950 that the Bechtel Corporation undertook its first contract with AEC in connection with the Arco installation in Idaho. At the present time, Mr. McCone has no stock or other ownership interest in the Bechtel Corporation and has held no such interest since he withdrew in 1946 or 1947.

Mr. Bechtel recalled that Mr. McCone, about the end of World War II had become interested in the Joshua Hendy Iron-works at Sunnyvale, California, and it was Mr. Bechtel's belief that the WABC had purchased some stock ownership in the iron-

JOHN ALEX McCONE

works, extent of the investment not recalled. The Calships operation was Mr. McCone's particular interest at that time and there was a series of transactions which took place including conversion of Calships about 1947 to a cash position, which resulted in the formation of the Joshua Hendy Corporation. Mr. Bechtel could not now recall the details involved in these transactions. He stated that, following the change of name to Joshua Hendy Corporation, the Sunnyvale plant of the old iron-works was sold to Westinghouse Electric Corporation and the plant in the East had been sold to another company. As of 1948, by these sales, the Joshua Hendy Corporation had also been reduced to a cash position. It was Mr. Bechtel's recollection that John McCone then held approximately sixty per cent stock ownership in that company while Stephen Bechtel held about twenty-five per cent and he, Kenneth, held about fifteen per cent.

Mr. Bechtel stated he was not sufficiently acquainted with the financial status of the Joshua Hendy Corporation to even estimate its worth as of 1948 when the company had been reduced to a substantial cash position. He stated that in 1955, he and his brother, Stephen, had sold their stock interest in that corporation, either to Mr. McCone directly or to the corporation for a figure which approximated several hundred thousand dollars, but less than one million dollars. He stated that he does not know for certain whether Mr. McCone is now the sole owner but the Bechtel family has no stock ownership interest in the corporation at this time and he is certain that Mr. McCone owns the vast majority of the stock, if not all.

With regard to the Pacific Tankers, Incorporated, Mr. Bechtel recalled that corporation had been organized as one of the operations of the Bechtel-McCone Corporation during World War II and had subsequently been acquired by the Joshua Hendy Corporation. The Bechtel brothers and Bechtel Corporation do not have any vested interest in that corporation at this time and it is Mr. Bechtel's belief that the Joshua Hendy Corporation has now acquired full ownership of the Pacific Tankers, Incorporated, but he was not certain on this point.

Mr. Bechtel advised that the Industrial Indemnity Company with offices at 155 Sansome Street, San Francisco, California, consisted of the Industrial Indemnity Company, a corporation, in which Mr. McCone owns approximately five per cent stock interest and is also a director, and the Industrial

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Underwriters, a general partnership, in which Mr. McCone is one of the general partners with approximately five per cent interest. Among approximately twenty other general partners are included the three Bechtel brothers who, with Mr. McCone, own the majority interest in that company and in the Industrial Indemnity Company, the corporation. Mr. T. G. McGuire is president of Industrial Indemnity Company, Kenneth Bechtel is chairman of the board, and Stephen D. Bechtel and Stephen D. Bechtel, Jr., are directors.

Mr. Bechtel stated that there are no joint activities in which that company or, to his knowledge, the Bechtel Corporation, are engaged with the Joshua Hendy Corporation or with Mr. McCone and no such activities are contemplated, to his knowledge, in the foreseeable future. He stated that John McCone recently informed him that, if appointed to the position under consideration, he plans to immediately dispose of his partnership interest in the Industrial Underwriters and will, in all probability, dispose of his stock interest in the Industrial Indemnity Company in order to remove any possible hint of a continued affiliation with the Bechtel interests, Mr. Bechtel noting that the Industrial Indemnity Company is basically a Bechtel enterprise.

Mr. McCone testified during September, 1946, during the hearings before the Committee on the Merchant Marine and Fisheries, United States House of Representatives, 79th Congress, Second Session. These hearings were held in connection with an investigation of shipyard profits. There is enclosed a copy of the results of these hearings and Mr. McCone's testimony is reflected on pages 189 to 225, inclusive.

Enclosure

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

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Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Evans \_\_\_\_\_  
 Malone \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_

## The Washington Merry-Go-Round

THE WASHINGTON POST Friday, January 12, 1962 B25

# U. S. Funds Gave McCone Big Start

By Drew Pearson

President Kennedy has picked some A-1 men for high office—some of the best in the past two decades. But the President must have had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency, which has a vital influence over American foreign policy.



Pearson

Looking back over McCone's past, he has a record for making money out of Uncle Sam, unequaled by any other man now in Government. The record is all spelled out in congressional hearings.

Cross-examined regarding his shipbuilding partnership with Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the Government had put up almost all the capital for their California Shipbuilding Co., of which McCone was president. It netted around a 44-million-dollar profit.

"What was the total cost to the Government of building your yard?" asked committee counsel Marvin Coles.

"Some \$25 million," replied McCone.

"How much of the moneys of your corporation were in-

vested in the physical yard?" "Very little, very little," replied the president of the company.

"Were there any profits to subcontractors?"

"Oh yes, there must have been."

## A Wonderful Deal

"Did any of the executives receive management salaries that were reimbursable by the Commission?"

"The executives . . . were reimbursed in a manner agreed to by the Commission."

"And that was with Government funds?" McCone was asked.

"That is correct."

"With material supplied by the Government, with labor paid for by the Government, with interest on borrowed capital paid for by the Government; with management salaries paid for by the Government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The House Merchant Marine Committee also developed the fact that the Government had turned over to McCone, Kaiser et al., all of the Government's materials, machinery, and other facilities located at the shipyard, estimated as worth about \$14 million.

"The Government put in \$25 million to the building of this yard," counsel Coles asked. "At the time of the completion of the contract was there any Government-owned

shipbuilding material in California Shipbuilding Co.'s yards?"

"There was," was McCone's laconic reply.

Coles asked if the value of \$14 million was accurate.

"That might have been the original cost of it, but a large percentage of it was nothing."

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the Government?" Coles asked.

"We relieved the Maritime Commission of all their obligations and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," was McCone's reply.

## More Gravy

"Did you receive in addition to this yard that had cost \$25 million and this material which may have cost \$14 million, an additional sum of \$2.5 million in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2.5 million."

"So in effect you got an additional \$2.5 million, did you?"

"You might put it that way," finally admitted the president of the shipping company.

Rep. Alvin Weichel, Ohio Republican, also brought out the fact that McCone-Kaiser deducted from income taxes \$4 million in nonreimbursable

expenses, which McCone said was given away in salary bonuses, charities, group insurance premiums, and ship-launching expenses.

"Did you give away \$5000 diamond necklaces?" asked Congressman Weichel.

"No, we gave \$60 cigarette boxes," replied McCone, adding that the top gift was \$800 to a ship sponsor.

Summarizing the facts, McCone's fellow Republican, Congressman Weichel, said: "The total number of ships you built was 467. The plant cost the Government \$25 million. There was \$14 million worth of property there when it was finished and you got \$2.5 million credit. That is roughly \$41 million . . ."

Adding in some other figures and making a quick calculation, Weichel concluded:

"Altogether your company got \$91 million for building 467 ships. Roughly, without the deduction of taxes, it cost the Government nearly \$200,000 in fees for each ship built by your company."

"The Todd (shipbuilding) people," Congressman Weichel pointed out, "had roughly \$11 million in fees and the plant cost about \$14 million. Theirs was about half the cost to the Government. Yours was \$200,000 per ship."

That was how John A. McCone, now nominated to be head of CIA, got his big start up the business ladder to big Government jobs and more profits in business.

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1161-1727-60

## WASHINGTON MERRY-GO-ROUND

# McCone's Appearances Before Congressional Group Retarded

BY DREW PEARSON

President Kennedy has picked some A-1 men for high office. But either the FBI was asleep or the President had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency.

Looking back over McCone's past, he has a record for making money out of Uncle Sam unequaled by any other man now in government. The record is all spelled out in congressional hearings.

★

Cross-examined regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the government had put up almost all the capital for their California shipbuilding company, of which McCone was president. The company netted around a \$44 million profit.

"What was the total cost to the government of building your yard?" asked Committee Counsel Marvin Coles.

"Some \$25 million," replied McCone.

"How much of the money of your corporation

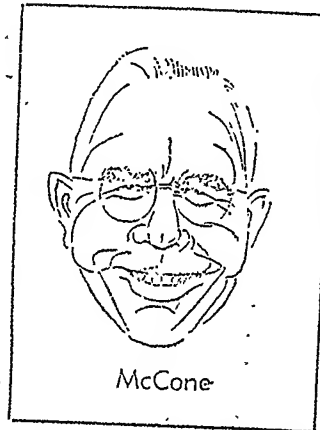
were invested in the physical yard?"

"Very little, very little," replied the president of the company.

"Were there any profits to subcontractors?"

"Oh, yes, there must have been."

"Did any of the execu-



tives receive management salaries that were reimbursable by the commission?"

"The executives... were reimbursed in a manner agreed to by the commission."

"And that was with government funds?" was asked.

"That is correct."

"With material supplied by the government, with labor paid for by the government, with interest on borrowed capital paid for

by the government, with management salaries paid for by the government, what were the fees and profits paid for?"

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That was how John A. McCone got his start up the business ladder to big government jobs and more profits in business.

Mr. Tolson \_\_\_\_\_  
Mr. Belmont \_\_\_\_\_  
Mr. Mohr \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. DeLoach \_\_\_\_\_  
Mr. Evans \_\_\_\_\_  
Mr. Malone \_\_\_\_\_  
Mr. Rosen \_\_\_\_\_  
Mr. Sullivan \_\_\_\_\_  
Mr. Tavel \_\_\_\_\_  
Mr. Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Holloman \_\_\_\_\_  
Miss Gandy \_\_\_\_\_

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Los Angeles Times  
Los Angeles, California  
January 12, 1962  
Page III-6

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DATE 3-22-02 BY SP4 BJA/DFW

432859

ENCLOSURE

161-170-60

Washington

## Merry-Go-Round

By Drew Pearson

### McCone's Gravy From Uncle Sam Escapes FBI Sleuths

WASHINGTON. — President Kennedy has picked some A-1 men for high office—some of the best in the past two decades. But either the FBI was asleep or the President had his mind on the Berlin crisis when he picked John A. McCone to head the giant Central Intelligence Agency which has a vital influence over American foreign policy.

Looking back over McCone's past he has a record for making money out of Uncle Sam unequaled by any other man now in government. The record is all spelled out in congressional hearings, and it would have been easy for the FBI to have read it. The FBI, however, asks questions. It doesn't read.

Cross-examined regarding his shipbuilding partnership with the Henry Kaiser interests at San Francisco during the war, McCone admitted to the House Merchant Marine Committee that the government had put up almost all the capital for their California Shipbuilding Company, of which McCone was president. It netted around a \$4,000,000 profit.

"What was the total cost to the government of building your yard?" asked committee counsel Marvin Coles.

"Some \$25,000,000," replied McCone.

"How much of the moneys of your corporation were invested in the physical yard?"

"Very little, very little," replied the president of the company.

"Were there any profits to subcontractors?"

"Oh, yes, there must have been."

A Wonderful Deal

"Did any of the executives receive management salaries that were reimbursable by the commission?"

"The executives . . . were reimbursed in a manner agreed to by the commission."

"And that was with government funds?" McCone was asked.

"That is correct."

"With material supplied by the government, with labor paid for by the government, with interest on borrowed capital paid for by the government, with management salaries paid for by the government, what were the fees and profits paid for?"

"For the building of ships," replied McCone, without batting an eye.

The House Merchant Marine Committee also developed the fact that the government had turned over to McCone, Kaiser et al, all of the government's materials, machinery, and other facilities located at the shipyard estimated as worth about \$14,000,000.

"The government put in \$25,000,000 to the building of this yard," Counsel Coles asked. "At the time of the completion of the contract was there any government-owned shipbuilding material in California Shipbuilding Company's yards?"

"There was," was McCone's laconic reply.

Coles asked if the value of \$14,000,000 was accurate.

"That might have been the original cost of it, but a large percentage of it was nothing."

"Did you pay any money for this shipyard and the surplus property in the yard when you acquired it from the government?" Coles asked.

"We relieved the Maritime Commission of all their obligations and responsibilities for the restoration of the site that was owned by the Los Angeles Harbor Board," was McCone's all.

More Gravy

"Did you receive in addition

to this yard that had cost \$25,000,000 and this material which may have cost \$14,000,000 an additional sum of \$2,500,000 in cash?" pressed Coles.

"No," replied McCone, "but we did receive a revision of our selective price contract under which the amount of recapture was reduced by \$2,500,000."

"So in effect you got an additional \$2,500,000, did you?"

"You might put it that way," finally admitted the president of the shipping company.

Rep. Alvin Weichel, Ohio Republican, also brought out the fact that McCone-Kaiser deducted from income taxes \$4,000,000 in nonreimbursable expenses, which McCone said was given away in salary bonuses, charities, group insurance premiums, and ship-launching expenses.

"Did you gave away \$5,000 diamond necklaces?" asked Congressman Weichel.

"No, we gave \$60 cigarette boxes," replied McCone, adding that the top gift was \$800 to a ship sponsor.

"The government got cut both ways with it," pursued Rep. Weichel. "Your company was reimbursed for all the expenditures, for wages, materials, administrative costs, and everything except the \$4,000,000. And this \$4,000,000 you deducted from income taxes, so the government paid it that way. They did not pay it to you direct, but you deducted it from your income tax."

"To the extent that it lessened our tax," McCone concurred.

"Four million is a tidy sum even around here," commented Weichel.

Summarizing the facts, McCone's fellow Republican, Congressman Weichel, said: "The total number of ships you built was 467. The plant cost the government \$25,000,000. There was \$14,000,000 worth of property there when it was finished and you got \$2,500,000 credit. That is roughly \$41,000,000 . . ."

Adding in some other figures and making a quick calculation, Weichel concluded:

"Altogether your company got \$91,000,000 for building 467 ships. Roughly, without the deduction of taxes, it cost the government nearly \$200,000 in fees

Mr. Tolson ✓  
Mr. Belmont ✓  
Mr. Mohr ✓  
Mr. Callahan ✓  
Mr. Conrad ✓  
Mr. DeLoach ✓  
Mr. Evans ✓  
Mr. Malone ✓  
Mr. Rosen ✓  
Mr. Sullivan ✓  
Mr. Tavel ✓  
Mr. Trotter ✓  
Tele. Room ✓  
Mr. Ingram ✓  
Miss Gandy ✓

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432859

The Morning Herald  
Hagerstown, Maryland  
January 12, 1962  
Page 8

ENCLOSURE

161-1117

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for each ship built by your company.

"The Todd (shipbuilding) people," Congressman Weichel pointed out, "had roughly \$11,000,000 in fees and the plant cost about \$14,000,000. Theirs was about half the cost to the government. Yours was \$200,000 per ship."

That was how John A. McCone, now nominated to be head of CIA, got his big start up the business ladder to big government jobs and more profits in business.

UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. Evans

DATE: 1/17/62

FROM : W. V. Cleveland

SUBJECT: JOHN ALEX MC CONE  
SPECIAL INQUIRY  
WHITE HOUSE

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
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 Ingram \_\_\_\_\_  
 Gandy \_\_\_\_\_

Re my memo 1/16/62 regarding applicant investigations which have been conducted regarding McCone and regarding a syndicated column by Drew Pearson dated January 12, 1962, captioned "McCone's Gravy From Uncle Sam Escapes FBI Sleuths." The purpose of this memorandum is to advise that Pearson's column has now been obtained and analyzed and his allegations regarding the FBI are completely without foundation.

As a matter of interest there are attached three columns by Pearson, all of which appeared on January 12, 1962, in different localities. The Washington Post article contains no mention of the FBI, the Los Angeles Times article mentions the FBI only in the first paragraph and The Morning Herald, Hagerstown, Maryland, column mentions the FBI in the caption as well as the first and second paragraphs.

Pearson's column deals with hearings which were conducted by the Committee on the Merchant Marine and Fisheries, United States House of Representatives, 79th Congress, 2nd Session, in 1946 regarding the Henry Kaiser interests at San Francisco during the war and the fact that McCone testified during these hearings. Pearson states it would have been easy for the FBI to have read these hearings and adds in a snide manner in the Hagerstown column "The FBI, however, asks questions. It doesn't read." This remark could not be further from the truth.

As a matter of fact, when we investigated McCone, we were fully aware of his appearance before the Committee on Merchant Marine and Fisheries in 1946. The record of these hearings was reviewed and a complete transcript was furnished to the White House as an enclosure with our summary dated June 30, 1958. The attention of the White House was specifically called to the fact that Mr. McCone's testimony appeared on pages 189 to 225 inclusive.

## Attachments

- 1 - Mr. Mohr
- 1 - Mr. Sullivan
- 1 - Mr. DeLoach

WVC:bjp  
(7)

67 FEB 21 1962

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# 432859

NOT RECORDED

FEB 21 1962

Memorandum to Mr. Evans  
Re: JOHN ALEX MC CONE

It is interesting to note that on June 25, 1958, Mr. McPhee at the White House advised Mr. Bartlett of the Liaison Section that Governor Sherman Adams was very impressed with the promptness and thoroughness of the Bureau's handling of the McCone investigation. Of more significance is the fact that on the same date Senator Clinton Anderson of New Mexico, Chairman of the Joint Committee on Atomic Energy, a Democrat, advised Mr. Tolson that he had reviewed the White House file and it looked like "a good piece of work on the part of the FBI," referring to the investigation of McCone, a Republican.

ACTION:

For record purposes. We do not recommend that we shove this down Pearson's throat because he will then merely shift his attack to the White House, quoting the FBI. The true facts are available, however, in the event we are asked any questions by the Attorney General or Congress.

*gmc* *✓* *HA* *B* *Q* *V.* *WPS*

**SPECIAL INVESTIGATIVE DIVISION**

1/17/62

Pearson's column does pertain to the 1946 hearings before the Committee on Merchant Marine and Fisheries. To be sure, we checked the references in Pearson's column against the transcript of these hearings.

It is noted that when we furnished our summary of June 30, 1958 on McCone to the Kennedy Administration in October, 1961, we again attached the transcript of these Congressional Hearings. (AHB:hmm)

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432859

UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. Mohr

DATE: 1/31/62

FROM : N. P. Callahan

SUBJECT: JOHN A. MC CONE  
DIRECTOR, CIA

Tolson ☒  
 Belmont ☒  
 Mohr ☒  
 Callahan ☒  
 Conrad ☒  
 DeLoach ☒  
 Evans ☒  
 Malone ☒  
 Rosen ☒  
 Sullivan ☒  
 Tavel ☒  
 Trotter ☒  
 Tele. Room ☒  
 Ingram ☒  
 Gandy ☒

Today the Senate approved the nomination of John A. McCone of California to be Director of Central Intelligence Agency. He was confirmed by a vote to 71 to 12.

- 1 - Mr. DeLoach (sent direct)
- 1 - Mr. Sullivan (sent direct)

PGT:ejh  
(5)

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EX 103

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 161-1709-61

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UPI-137

ADD 4 MCCONE, WASHINGTON

THE SENATE CONFIRMED MCCONE AS DIRECTOR OF THE CENTRAL INTELLIGENCE  
AGENCY.

1/31--EG243PES

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WASHINGTON CAPITAL NEWS SERVICE

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UPI-139

ADD 5 MCCONE, WASHINGTON  
THE ROLL CALL VOTE WAS 71 TO 12 FOR CONFIRMATION.  
1/31--EG247PES

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UPI-130

ADD 2 MCCONE, WASHINGTON  
 REPLYING TO MCCONE'S CRITICS JUST BEFORE THE VOTE, CHAIRMAN RICHARD  
 B. RUSSELL, D-GA., OF THE ARMED SERVICES COMMITTEE SAID HE REGRETTED  
 THAT REPORTS OF CIA OVERSEAS OPERATIONS HAD BEEN DISCUSSED ON THE SENATE  
 FLOOR.

"I AM DISAPPOINTED AT THE EXTENT TO WHICH INNUENDO WAS USED,"  
 RUSSELL ADDED. HE EVIDENTLY REFERRED TO SUGGESTIONS THAT THE WEALTHY  
 CALIFORNIA REPUBLICAN MIGHT INVOLVE HIMSELF IN CONFLICTS OF INTEREST  
 THROUGH HIS HOLDINGS IN SHIPPING AND OIL COMPANIES.

MCCONE'S OPPONENTS SEEM TO BELIEVE, SAID RUSSELL, THAT THE CIA  
 DIRECTOR IS A SUPER STATE DEPARTMENT WHO FRAMES FOREIGN POLICY OR A  
 "FREE-WHEELING SECRETARY OF DEFENSE GOING AROUND THE WORLD DECLARING  
 WAR AND TOPPLING GOVERNMENTS BY COVERT MEANS."

MCCONE'S FOREIGN POLICY VIEWS ARE NOT IMPORTANT BECAUSE HE WILL BE  
 MERELY AN AGENT OF THE PRESIDENT, RUSSELL SAID.

1/31--GE220P

WASHINGTON CAPITAL NEWS SERVICE

ENCLOSURE

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UPI-133

-\$\$ 3 MCCONE, WASHINGTON

"ALL OF THIS TALK ABOUT MR. MCCONE'S VIEWS ON FOREIGN POLICY AND WHAT HE THOUGHT ABOUT THE POLICIES BEING APPLIED IN IRAN, IRAQ, THE CONGO OR SOME OTHER POINT ARE ESSENTIALLY BESIDE THE POINT," RUSSELL DECLARED.

HE PRAISED THE NOMINEE AS FULLY QUALIFIED FOR THE CIA POST IN EVERY RESPECT. MCCONE IS AN ABLE, PATRIOTIC, HONEST, FORTHRIGHT AMERICAN WHO DESIRES ONLY TO SERVE HIS COUNTRY, RUSSELL SAID.

RUSSELL TOLD THE SENATE THAT IF MCCONE DID NOT PROVE TO BE EVERYTHING EXPECTED AS CIA DIRECTOR "THE PRESIDENT CAN GET RID OF HIM AT THE STROKE OF A PEN."

HE ARGUED THAT THE CONFLICT OF INTEREST STATUTE RELATES TO THE ISSUE OF POWER OF PROCURMENT AND IS "DESIGNED TO PREVENT ANY MAN WITH CONTROL OF TAX MONEY FROM DOING BUSINESS WITH HIMSELF." HE SAID HE COULD NOT SEE HOW THIS AFFECTS MCCONE AS CIA DIRECTOR.

RUSSELL NOTED THAT "SENATORS THEMSELVES HOLD STOCK" AND SAID THAT THERE IS "MUCH MORE LIKELIHOOD OF CONFLICT OF INTEREST WITH A SENATOR THAN WITH THE DIRECTOR OF CENTRAL INTELLIGENCE."

SEN. FRANK J. LAUSCHE, D-OHIO RAISED THE QUESTION OF MCCONE'S HOLDINGS IN STANDARD OIL OF CALIFORNIA, WHICH IN TURN HAS OIL HOLDINGS IN THE MIDDLE EAST. HE SUGGESTED THE POSSIBILITY THAT MCCONE MIGHT LEARN IN ADVANCE OF A POSSIBLE OIL EXPROPRIATION ACTION BY SOME MID-EAST COUNTRY, AND THUS BE IN POSITION TO BENEFIT HIS OWN INTEREST.

RUSSELL REPLIED THIS COULD ONLY BE ASSUMED "IF YOU WANT TO THINK THE WORST" OF MCCONE. HE SAID THE SAME KIND OF ASSUMPTION MIGHT BE MADE AGAINST A PERSON OF THE JEWISH FAITH, BECAUSE OF ISRAEL, OR OF THE CATHOLIC FAITH, BECAUSE HE "MIGHT BE INFLUENCED BY THE POPE AT ROME."

SENATE FOREIGN RELATIONS CHAIRMAN J. WILLIAM FULBRIGHT, D-ARK., ANNOUNCED HE COULD NOT VOTE FOR MCCONE BECAUSE HE HAD NOT BEEN INFORMED WHAT FOREIGN POLICY VIEWS ARE HELD BY THE NOMINEE.

FULBRIGHT SAID NEITHER HE NOR HIS COMMITTEE WAS CONSULTED ABOUT THE APPOINTMENT AND THE COMMITTEE HAS "NOT BEEN GIVEN AN OPPORTUNITY TO BE INFORMED" ON HIS FOREIGN POLICY VIEWS.

1/31--EG229PES

161-1709-61

WASHINGTON CAPITAL NEWS SERVICE

ENCLOSURE

~~TOP SECRET~~



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

Mr. Tolson ✓  
Mr. Belmont ✓  
Mr. Mohr ✓  
Mr. Callahan ✓  
Mr. Conrad ✓  
Mr. DeLoach ✓  
Mr. Evans ✓  
Mr. Malone ✓  
Mr. Rosen ✓  
Mr. Sullivan ✓  
Mr. Tavel ✓  
Mr. Trotter ✓  
Tele. Room ✓  
Mr. Ingram ✓  
Miss Gandy ✓

VIA LIAISON  
RECEIVED FROM  
FEB 21 1962  
CIA SJP

19 FEB 1962

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ON 11-4-02

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11432859

Honorable J. Edgar Hoover, Director  
Federal Bureau of Investigation  
United States Department of Justice  
Washington 25, D. C.

Dear Mr. Hoover:

Thank you very much for your letter of 14 February  
and for the enclosed memorandum entitled An American's  
View From Red China which you were so thoughtful to  
bring to my attention.

I have forwarded this information to some of our  
specialists on a need-to-know basis.

Sincerely,

John A. McCone  
Director

EX-100

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UNCLASSIFIED-CONTROL

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~~TOP SECRET~~

## CIA Director McCone Weds Mrs. Paul Pigott

Central Intelligence Agency Director John McCone and Mrs. Paul Pigott, widow of a Seattle industrialist, were married this morning.

The nuptial mass took place in St. Anne's Chapel, with the Rev. William Gallagher officiating. Only members of the families attended.

The bride was given in marriage by her eldest son, Mr. P. J. Pigott. Mr. William M. Allen of Seattle served as Mr. McCone's best man.

### Honeymoon

Following a wedding breakfast at the bride's residence, the couple left for a brief trip to Europe. Upon their return they will live here.

The couple also hopes to make an occasional trip to the bride's residence in The Highlands, Seattle, and to Mr. McCone's home in San Marino, Calif.

Mr. McCone's first wife, the former Rosemary Cooper, whom he married in 1938, died last December in Washington. The McCone and Pigott families have been close friends for many years, and Mrs. Pigott and Mr. McCone were fellow-students at the University of California at Berkeley.

President of the California Shipbuilding Corporation during World War II, Mr. McCone built and managed the Air Force's Modification Center in Birmingham, Ala. His engineering firm designed and constructed chemical plants, refineries and power plants throughout the world.

He is presently president and owner of the Joshua Hendy Corporation, which engages in overseas shipping, particularly the ore-carrying trade in South America and through its Pacific Tankers Division, the operation of a fleet of oil tankers in the Pacific.

A Republican, Mr. McCone's official service with the United States Government began in 1947 when he was appointed by President Truman as a member of the President's Air Policy Commission.

From March to November of 1948 he was Special Deputy to Secretary of Defense James V. Forrestal, and in May of 1950 he was appointed Undersecretary of the Air Force.

### Eisenhower Appointee

In June, 1958, President Eisenhower appointed Mr. McCone chairman of the Atomic Energy Commission, a post he held until he resigned in January, 1961, at the close of the Eisenhower administration.

Mrs. Pigott, whose husband died in January, 1961, is the mother of three sons and three daughters, all married.

Mrs. Pigott has been a re-

gent of Seattle University, a member of the board of the Children's Orthopedic Hospital, of the Pacific Northwest Research Foundation, and of the Arboretum Foundation, all of Seattle.

She also has been a sponsor of the Seattle Symphony Orchestra, a member of the Seattle Art Museum, a sustaining member of the Junior League of Seattle, and a member of the National Executive Committee of the Stanford Peace Program.

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Mohr \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
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The Washington Post and Times Herald \_\_\_\_\_  
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The Evening Star \_\_\_\_\_  
New York Herald Tribune \_\_\_\_\_  
New York Journal-American \_\_\_\_\_  
New York Mirror \_\_\_\_\_  
New York Daily News \_\_\_\_\_  
New York Post \_\_\_\_\_  
The New York Times \_\_\_\_\_  
The Worker \_\_\_\_\_  
The New Leader \_\_\_\_\_  
The Wall Street Journal \_\_\_\_\_  
The National Observer \_\_\_\_\_  
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AUG 29 1962

ENCLOSURE

Pigott - unrec  
McCone - oral (for ref only)  
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JFK

Report SA Vincent W. Hughes 6/18/54 Los Angeles  
Jesse H. H. H. H. H.

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VWH:po

In 1954 McCone became sole owner

Panama Pacific Tankers (a Panamanian Corporation) is engaged in the ownership, chartering, and operations of ships engaged, in world commerce, in the bulk trades such as transportation of iron ore, coal, grain, and oil.

of Joshua Hendy Corporation

John McCone

Joshua Hendy Corporation is engaged primarily in the shipping business operating both American-flag and foreign-flag vessels directly as through affiliated foreign corporations in which Hendy owns a 50% interest and provides management through management contracts. The remaining 50% is owned by States Marine Lines. Hendy owns and charters and operates ships in the coastwise and intercoastal trade moving liquid chemicals and petroleum products. Principal users of this service are:

Union Carbide and Chemical Company  
Commercial Solvents Company  
Shell Chemical Company  
Standard Oil of California  
Standard Oil of New Jersey (chemical division)  
Richfield Oil Company  
Dow Chemical Company  
and others.

file 161-1709

Hendy is now in active but inconclusive negotiating with Union Carbide and Chemical Company and U. S. Steel Corporation which, if concluded, will call for the operation of at least two additional American-flag vessels in the coastwise or intercoastal trade.

The services of our ships are employed under contracts of affreightment ranging from single voyages to five years or more (Union Carbide - 5 years).

Ships are also engaged, when space is available, on a voyage basis for moving Government-owned or controlled liquid products as vegetable oils, etc.

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Hendy operates 10 Navy-owned tankers for the M.S.T.S. on a cost plus fixed fee basis under a contract originally negotiated in 1948 and renewed from time to time. Most recent renewal, July 1, 1957. Expiration date, June 30, 1961.

Hendy owns 50% of the stock of Transworld Carriers, Inc., and of Redwood Corporation, both Panamanian corporations. (Remaining 50% owned by States Marine interests.) Their activities are as follows:

Transworld Carriers and Redwood Corporation are engaged in the transportation of iron ore, bauxite, and oil from points throughout the world to the United States ports. Services are performed in owned or chartered vessels. The Transworld and Redwood fleet consists of -

1 - 35,000 ton tanker time chartered to Standard Oil of California for 5 years (Liberian flag)

2 - 19,000 ton ore carriers (Norwegian flag) chartered to Navios Corporation (United States Steel Corporation) for about 12 years

5 - 36,500 ton ore carriers (Liberian flag) chartered to the Navios Corporation (United States Steel Corporation) for about 12 years (2 of these ships now under construction Hamburg, Germany.)

2 - 36,500 ton iron ore carriers (Liberian flag) engaged for seven years under contract of affreightment to move ore from Peru to U. S. ports for Marcona Mines Corporation (Utah Construction Company and Cypress Mines Company)

Transworld Carriers own 50% interest in Sequoia Corporation (a Panamanian Corporation) (with Kaiser Aluminum and Chemical Company owning the remaining 50%.

Sequoia Corporation holds a 15 year contract to transport bauxite from Jamaica to Baton Rouge or elsewhere for Kaiser and has arranged for construction of three 36,000 ton bauxite carriers to perform this contract. The ships are built in Hamburg, Germany, and will be Norwegian-flag. One ship is now in service - balance to go into service during 1958.

All of these ships can be used by Transworld or the Charterers in world commerce with very little restriction if the ships are not fully utilized in the designated trades.

"Other Activities:

For several years Hendy, or McCone as an individual, has participated in engineering and construction projects throughout the world in joint venture with Bechtel Company and others. No such ventures are now active, and none are in immediate contemplation."

It will be noted that in explaining the activities of the Joshua Hendy Corporation it was stated that the following companies were some of the principal users of Joshua Hendy:

Union Carbide and Chemical Company

Dow Chemical Company

These two companies are engaged in work for the Atomic Energy Commission according to Mr. MC CONE. He further stated that the Utah Construction Company and the Cypress Mines Company and the Kaiser Aluminum and Chemical Company, all of which are mentioned in the above document, likewise are engaged in work on behalf of the Atomic Energy Commission.

Mr. Ashley for, with Mr. Wainwright against.

Mr. Jensen for, with Mr. Stauffer against.  
Mr. Gordon for, with Mr. Vanik against.  
Mr. Coffin for, with Mr. Herlong against.  
Mr. Boykin for, with Mr. O'Brien of New York against.

Mr. Burdick for, with Mr. Coudert against.  
Mr. Hillings for, with Mr. Rains against.

Until further notice:

Mr. Teague of Texas with Mr. Hale.  
Mr. Young with Mr. Avery.  
Mr. Dies with Mr. Baumhart.  
Mr. Davis of Tennessee with Mr. Harrison of Nebraska.

Mrs. Blitch with Mr. Hoffman.  
Mr. Barden with Mr. McGregor.  
Mr. Macdonald with Mr. Miller of New York.

Mr. O'Neill with Mr. Minshall.  
Mr. Brooks of Louisiana with Mr. McIntire.  
Mr. Shuford with Mr. Mason.

Mr. REUSS changed his vote from "yea" to "nay."

Mr. O'BRIEN of New York. Mr. Speaker, I voted "No." I have a live pair with the gentleman from Alabama [Mr. Boykin]. If he were present, he would vote "yea." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 121. Concurrent resolution authorizing a change in the enrollment of the joint resolution (S. J. Res. 135) providing for the construction by the Department of the Interior of demonstration plants for the production, from saline or brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumption uses.

#### CONSERVATION OF THE RARE HAWAIIAN NENE GOOSE

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 4249) to authorize a program for the conservation, restoration, and management of the rare Hawaiian Nene goose, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ARENDS. Mr. Speaker, reserving the right to object; will the gentleman tell us what this bill does?

Mr. BONNER. Mr. Speaker, the purpose of the bill is to authorize a program of research, propagation, and management for the Hawaiian Nene goose. At the present time, there are only about 50 geese at large in the entire Territory of Hawaii, and their continued existence is threatened in the absence of a program for their management. Up to the present, voluntary efforts by private individuals and very small grants by the Territory of Hawaii have served to keep the species from following the passenger pigeon into extinction. Existing

funds that might be used are not available because of regulations of the Fish and Wildlife Service and, in the absence of this authorization, necessary steps for the propagation of the species cannot be undertaken.

Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That whereas there are less than 50 Nene geese in the wild state in the Territory of Hawaii, and this unique, native species of waterfowl is threatened with imminent extinction, the Secretary of the Interior is hereby authorized and directed to promote a program of research, propagation, and management necessary to effect the restoration of this threatened species in its natural habitat.

SEC. 2. The sum of \$15,000 per annum is hereby authorized to be appropriated each year for a period of 5 years to carry out the purposes of this act.

Mr. BURNS of Hawaii. Mr. Speaker, S. 4249 and H. R. 11584 are identical bills to authorize a program for the conservation, restoration, and management of the rare Hawaiian Nene goose—*Branta sandvicensis*—which is now considered one of the rarest species of waterfowl in the world.

I want to take advantage of this opportunity to commend the chairman and members of the Merchant Marine and Fisheries Committee of the House for their expeditious and gracious consideration of this bill and its prompt reporting to this House. I want to also acknowledge the kind courtesy of the senior Senator from Washington, the Honorable WARREN MAGNUSON, for his introduction of the Senate bill which was promptly considered by the Interstate and Foreign Commerce Committee of the other body which the Senator from Washington is chairman. The diligence and great interest of Chairman MAGNUSON and the members of his committee are gratefully acknowledged.

By action of the Territorial Legislature in 1955 the Nene, or Hawaiian goose, was named the official bird of Hawaii.

The history of the effort to preserve the vanishing species of wildlife in the United States is one of too little too late. The Nene was abundant at one time on the slopes of Mauna Loa and Hualalai in Hawaii and Haleakala in Maui.

Over the past several decades this magnificent waterfowl has declined seriously in numbers due to several factors, including indiscriminate hunting in past years, changes in land use, and the increase of predators, such as mongooses, wild pigs and dogs. The bird was formerly a migratory one but became at some time in the distant past a resident of Hawaii.

Today, as a result of extensive efforts, there are less than 50 birds in the wild state. Two captive flocks are in existence, one owned by Mr. Herbert C. Shipman, of Hawaii, and the other by the Wildfowl Trust, Slimbridge, Gloucestershire, England. This latter flock was started from a male and 2 females in 1950.

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The Legislature of Hawaii and the Territorial administration have made material contributions of effort and money to the preservation of the Nene and its reestablishment. Since July 1, 1949, to June 30, 1958, \$22,865 has been expended through the fish and game division of the board of agriculture and forestry. The budget request for the 1958-59 biennium is \$17,000.

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The Wildlife Management Institute, the National Parks Association, the National Audubon Society, the Wildfowl Trust of England, the Federation of Western Outdoor Clubs, the Izaak Walton League of America, among others, have expressed their support of the bills. The Department of the Interior, Fish and Wildlife Service, has recommended enactment of the bills, and the Bureau of the Budget interposes no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

761-1709  
OPERATING ASSIGNMENT OF THE NUCLEAR SHIP "SAVANNAH"  
170 FEB 21 1962

Mr. BONNER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, 2 years ago there was enacted a bill, which I introduced in the spring of 1955, to authorize the construction of an atomic merchant ship powered by a specially designed advanced type of reactor. This first great application of nuclear power to shipping was to be a practical merchant vessel of combination passenger and cargo design capable of providing shipping services on routes essential for maintaining the flow of the foreign

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commerce of the United States. The authorization took the form of an amendment to title VII of the Merchant Marine Act of 1936, since it was intended that the ship would be in furtherance of our national maritime policy as laid down by the Congress in that act.

The creation of the ship was to be a joint project with the Atomic Energy Commission responsible for the nuclear reactor and the Department of Commerce responsible for design and construction of the vessel itself and all of its other equipment and machinery.

This important project is now under way. She was christened the Nuclear Ship *Savannah* at her keel-laying in Camden, N. J., on National Maritime Day, May 22, of this year. She is scheduled to be launched next year and be ready for operation in 1960.

The *Savannah*, in her construction and operation, will be the laboratory in which the American merchant marine in the nuclear age will be developed. Upon completion it is contemplated that she will operate to various areas throughout the world in demonstration of the peaceful uses of the miracle power of atomic energy.

We are fortunate that through the effective operation of the Merchant Marine Act of 1936, to foster the development and encourage the maintenance of an American-flag, citizen-owned merchant marine, there are long-established and experienced operators serving essential trade routes with wholly owned and operated American-flag passenger and freight vessels serving Western Europe, the Mediterranean, the east and west coasts of South America, the Far East, Australia, Africa, and around the world.

Thus, there are logically available many companies ready, able, and willing to perform their share in their partnership with the Government in carrying out our national policy. Among them are major companies whose very names bespeak of our country: United States Lines, American Export Lines, and American President Lines.

In view of the foregoing, therefore, I was greatly disturbed—I might even say I was shocked—when it was announced by the Maritime Administration and the Atomic Energy Commission 2 or 3 weeks ago that States Marine Corporation of Delaware has been selected as the general agent for the operation of the nuclear ship *Savannah*, under a negotiated operating agreement.

At this point I want to make it perfectly clear that my reaction to the announcement implies no criticism of States Marine as an operating steamship company. Nor do I suggest that the proposed assignment of the vessel is not within the letter of the law.

On the basis of information which has come to my attention, there are, however, certain aspects of this proposition which I consider to be highly questionable.

First, it is the intent of the 1936 act that the American merchant marine shall be owned and operated under the United States flag by citizens of the United States. Provisions of the shipping laws implement this intent by strict requirements regarding citizenship. Fur-

ther to assure the very highest degree of American control, the 1936 act provides that it shall be unlawful for any contractor receiving an operating differential subsidy, or for any charterer of vessels under that act, or any holding company, subsidiary, affiliate, or associate of such contractor or such charterer, or any officer, director, agent, or executive thereof, directly or indirectly to own, charter, act as agent or broker for, or operate any foreign-flag vessel which competes with any American-flag service determined to be essential under the act.

It is my understanding States Marine Lines operates about 15 American-flag ships of its own, plus 24 more through its wholly owned subsidiary, Isthmian Lines, Inc. Some 40 to 50 American-flag ships are said to be operated under charter. And an additional 4 or 5 are operated through a berth agency with Bloomfield Steamship Company. But the States Marine fleet of 122 vessels includes somewhere between 30 and 40 foreign-flag ships, operated through foreign connections and affiliations which makes it presently ineligible to receive operating subsidy or charter vessels under the 1936 act. In the operation of both its American and foreign-flag ships, this company uses foreign shipping firms as its agents abroad, and in turn acts as United States agents for them.

According to *Fortune Magazine*, in South Africa, for example, States Marine, headed by Henry Mercer of New York, helped set up a company for an old friend, former British Air Marshal Harris. As the *Fortune* article says:

Mercer was instrumental in getting some ships from the United States Maritime Commission for the South African company, and the two firms whack up 50/50 such cargo as they can corral that is headed either east or west between the United States and South Africa.

Only by resorting to the broad authority in the Federal Maritime Board to use general agents to operate vessels owned by the United States for experimental or testing purposes, can the assignment of the nuclear ship *Savannah* to States Marine rather than to an American operator without foreign connections be legally justified.

While flexibility of authority is undoubtedly desirable in connection with the development, trial and testing of vessels for experimental purposes, no facts have come to my attention which would justify the assignment of a vessel having the significance of the nuclear ship *Savannah* to an operator who because of extensive foreign-flag affiliations cannot meet the tests laid down in the 1936 act, when there are fully-qualified wholly-owned American steamship companies available to perform this important function.

In this connection, it is my understanding that an interagency operator selection board of the Maritime Administration and the Atomic Energy Commission was appointed to review and analyze the replies of the seven operators indicating an interest in operating the *Savannah*. It is further my understanding that this Board unanimously

recommended American President Lines, Limited, as first choice and United States Lines Company as second choice, on the basis of the many factors involved, but with particular reference to basic trade routes and extent of experience with passenger operations. Moreover, these two companies have already made substantial studies in connection with nuclear propelled vessels. Unfortunately, I cannot vouch for the accuracy of the conclusions which I have been told were contained in the report of the interagency board, because I have been unable to obtain a copy of the report. I have requested the Maritime Administrator to furnish me with a copy of the board's report with the background justifications for the final selection of an operator. This has been denied me.

Nonetheless, it is a well-known fact that States Marine does not now, and never has, engaged in the operation of passenger vessels, although I believe the Isthmian subsidiary carries some passengers on its 12-passenger freighters. I am at a loss to understand the decision that has been made.

The publicity attending the announcement of the assignment of the vessel states that in the handling of future passenger travel, Matson Navigation Co. would act with States Marine. Again I cannot understand why other qualified American passenger operators should have been passed over in favor of a company that had indicated no interest in operating the vessel.

The picture becomes even more cloudy and confusing when it is realized that the able and distinguished new Chairman of the Atomic Energy Commission, Honorable John A. McCone, is a man with extensive shipping interests. Mr. McCone's shipping companies are Joshua Hendy Corp., and Panama Pacific Tankers which are engaged directly or through subsidiaries in the shipping business as owners, charterers and operators of ships under both foreign and American flag. The Hendy vessels are employed in the distribution of chemicals, crude oil and refined petroleum products, and iron ore and bauxite. At the time of his nomination for the Atomic Energy Commission post, Mr. McCone was engaged in a very active partnership with Mr. Mercer, the head of States Marine Lines. According to the August 1958 issue of *Fortune*:

With Mr. Mercer's support, Mr. McCone had plunged ahead with a plan to make Joshua Hendy one of the most important seagoing ore carriers. Its trade prospered. It was hauling iron ore from Venezuela and Peru, bauxite from Jamaica, and chemicals in the intercoastal trade.

The nomination hearings before the Senate Section of the Joint Committee on Atomic Energy on July 2 of this year do not go into detail except to show that Mr. McCone has divested himself of his control of the two shipping corporations to the extent of placing his stock in them in an irrevocable trust with the trust department of the California Bank of Los Angeles. I have no concern with the arrangements made by Mr. McCone to meet the technical requirements of the law in regard to the difficult problem of avoiding conflicts of interests

faced by so many able and successful businessmen when called to public service. However, the facts concerning the intimate business relationships which have existed between Mr. McCone and Mr. Mercer raise certain obvious questions when we seek to find the answer to the apparently illogical assignment of the nuclear ship *Savannah* to States Marine Lines by the Department of Commerce and the Atomic Energy Commission.

Another recent development seems to shed further light on a picture that becomes more complicated as it is examined. As recently as August 14, 1958, the president of Matson Orient Line, Inc., an applicant for operating subsidy from United States Atlantic ports to the Far East, announced that Matson Navigation Co. and Isthmian Lines, Inc., will each acquire a 50-percent ownership of Matson Orient. Matson Navigation and Isthmian will buy 100 percent of the common stock of Matson Orient, Inc., for \$8½ million, with which Matson Orient then proposes to purchase three vessels from each Matson Navigation and Isthmian with which to commence its new service and will have \$1 million left over as working capital. The officers and directors of Matson Orient Line are also officers or directors of one or more of Matson Navigation Co., Isthmian Lines, Inc., and States Marine Corp. Perhaps this new development explains why Matson Navigation Co., which expressed no interest in operating the *Savannah*, should nevertheless be designated to act with States Marine in the handling of future passenger travel.

Mr. Speaker, even though I have no reason to believe that any law has been violated by the decision of the Secretary of Commerce to select States Marine Lines as operating agent for the nuclear ship *Savannah* in preference to exclusively American-flag lines, which to me are seemingly more logical and qualified, the known circumstances in this matter are of great interest to me and I feel that they must be to the Members of Congress generally.

I do not know whether there was any undue pressure from any source that caused this situation to be brought about; but I can assure you that I intend to follow the future course of arrangements relative to the development and operation of our first nuclear merchant ship with even more intense interest than I heretofore have since I introduced the original authorizing legislation.

There is not now, and I doubt if there ever has been, any Member of this Congress more devoted to the cause of developing and maintaining a strong American-flag merchant marine. The Merchant Marine Act of 1936 is an excellent law if administered properly and carefully. But if it is not, I fear that we might again find ourselves confronted with the disgraceful situation that brought about the Black investigation of 1934 and 1935, with its disclosures of complicated corporate subterfuges and favoritism diverting the purposes of the then existing law which Congress had passed in the hopes of developing an

adequate, stable, and efficient merchant marine to serve the needs of the commerce and defense of this country.

Mr. Speaker, I will watch with interest to see who plucks the plum.

#### SUPPLEMENTAL APPROPRIATIONS, 1959

Mr. CANNON submitted the following conference report and statement on the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes:

##### CONFERENCE REPORT (H. REPT. No. 2686)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 36 and the amendment of the House thereto, and numbered 114, to the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$2,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 36.

CLARENCE CANNON,  
JOHN J. ROONEY,  
J. VAUGHAN GARY,  
JOHN TABER,  
GERALD R. FORD, Jr.,  
FRANK T. BOW,

Managers on the Part of the House.

CARL HAYDEN,  
DENNIS CHAVEZ,  
ALLEN J. ELLENDER,  
CLINTON P. ANDERSON,  
STYLES BRIDGES,  
LEVERETT SALTONSTALL,  
MILTON R. YOUNG,  
WILLIAM F. KNOWLAND,

Managers on the Part of the Senate.

##### STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

##### CHAPTER VII

##### Independent offices

National Aeronautics and Space Administration

Amendment No. 36: Reported in disagreement.

##### CHAPTER XIII

United States Information Agency

Payment to Informational Media Guaranty Fund

Amendment No. 114: Appropriates \$2,500,000 instead of \$5,000,000 as proposed by the Senate.

CLARENCE CANNON,  
JOHN J. ROONEY,  
J. VAUGHAN GARY,  
JOHN TABER,  
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Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

The Clerk read the conference report. Mr. CANNON. Mr. Speaker, this report is the result of the further conference with the other body on the supplemental appropriation bill for 1959.

On yesterday the House and the Senate disposed of all other differences on the bill. The report now before the House disposes of the two remaining amendments—Nos. 36 and 114.

Amendment 36 originally provided that in the future, no appropriation could be made to the National Aeronautics and Space Administration unless first authorized by law hereafter enacted. The House on yesterday refused to subscribe to that provision. The Senate further insisted. In the pending report, the managers reach agreement on language limiting the life of the provision to appropriations for any period to June 30, 1960. Since appropriations for fiscal 1959 are already adopted, the provision will have no practical effect until the next Congress, at which time there will be opportunity to further consider the matter.

Amendment 114 inserted \$5 million for further payment to the informational mediums guaranty fund under supervision of the United States Information Agency. The House had not considered the item and on yesterday, refused to concur. The Senate further insisted. The pending report proposes \$2,500,000 for the item, a compromise of one-half.

Mr. Speaker, the managers would of course have preferred to sustain the will of the House, but as with most proposed legislation, when the other body continues to insist, the only practical solution is compromise. On both amendments, we believe we secured a reasonable compromise.

In conclusion, Mr. Speaker, and by way of summary, the final appropriation totals for the bill in relation to the budget estimates and the House and Senate versions are as follows:

Budget estimates (including some not considered by House)	\$4,081,154.22
House bill	3,131,814.77
Senate bill	3,868,382.77
Conference total (final)	3,697,305.47
Conference total compared to budget estimates	-383,848.75

Mr. Speaker, the final total is a reduction of nearly 10 percent below total budget estimates. And to repeat briefly the statement of yesterday, this bill is more of a regular annual bill than a supplemental bill. It is only incidentally a supplemental bill. Nearly 85 percent of the conference total represents the regular annual appropriations for general agencies and activities. And of the abnormally large increase over the House bill, approximately 90 percent represents amounts not considered by the House when the bill was first here.

The SPEAKER. The question is on suspending the rules and agreeing to the conference report.

Mr. Ashley for, with Mr. Wainwright against.  
 Mr. Jensen for, with Mr. Stauffer against.  
 Mr. Gordon for, with Mr. Vanik against.  
 Mr. Coffin for, with Mr. Herlong against.  
 Mr. Boykin for, with Mr. O'Brien of New York against.  
 Mr. Burdick for, with Mr. Coudert against.  
 Mr. Hillings for, with Mr. Rains against.

#### Until further notice:

Mr. League of Texas with Mr. Hale.  
 Mr. Young with Mr. Avery.  
 Mr. Hies with Mr. Baumhart.  
 Mr. Davis of Tennessee with Mr. Harrison of Nebraska.

Mrs. Hatch with Mr. Hoffman.  
 Mr. Burden with Mr. McGregor.  
 Mr. McDonald with Mr. Miller of New York.  
 Mr. O'Neill with Mr. Minshall.  
 Mr. Brooks of Louisiana with Mr. McIntire.  
 Mr. Shuford with Mr. Mason.

Mr. REUSS changed his vote from "yea" to "nay."

Mr. O'BRIEN of New York. Mr. Speaker, I voted "No." I have a live pair with the gentleman from Alabama [Mr. Boykin]. If he were present, he would vote "yea." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

#### FURTHER MESSAGE FROM THE SENATE

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The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. ARENDS. Mr. Speaker, reserving the right to object; will the gentleman tell us what this bill does?

Mr. BONNER. Mr. Speaker, the purpose of the bill is to authorize a program of research, propagation, and management for the Hawaiian Nene goose. At the present time, there are only about 50 geese at large in the entire Territory of Hawaii, and their continued existence is threatened in the absence of a program for their management. Up to the present, voluntary efforts by private individuals and very small grants by the Territory of Hawaii have served to keep the species from following the passenger pigeon into extinction. Existing

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Mr. ARENDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc., That* whereas there are less than 50 Nene geese in the wild state in the Territory of Hawaii, and this unique, native species of waterfowl is threatened with imminent extinction, the Secretary of the Interior is hereby authorized and directed to promote a program of research, propagation, and management necessary to effect the restoration of this threatened species in its natural habitat.

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On the basis of information which has come to my attention, there are, however, certain aspects of this proposition which I consider to be highly questionable.

First, it is the intent of the 1936 act that the American merchant marine shall be owned and operated under the United States flag by citizens of the United States. Provisions of the shipping laws implement this intent by strict requirements regarding citizenship. Fur-

ther to assure the very highest degree of American control, the 1936 act provides that it shall be unlawful for any contractor receiving an operating differential subsidy, or for any charterer of vessels under that act, or any holding company, subsidiary, affiliate, or associate of such contractor or such charterer, or any officer, director, agent, or executive thereof, directly or indirectly to own, charter, act as agent or broker for, or operate any foreign-flag vessel which competes with any American-flag service determined to be essential under the act.

It is my understanding States Marine Lines operates about 15 American-flag ships of its own, plus 24 more through its wholly owned subsidiary, Isthmian Lines, Inc. Some 40 to 50 American-flag ships are said to be operated under charter. And an additional 4 or 5 are operated through a berth agency with Bloomfield Steamship Company. But the States Marine fleet of 122 vessels includes somewhere between 30 and 40 foreign-flag ships, operated through foreign connections and affiliations which makes it presently ineligible to receive operating subsidy or charter vessels under the 1936 act. In the operation of both its American and foreign-flag ships, this company uses foreign shipping firms as its agents abroad, and in turn acts as United States agents for them.

According to Fortune Magazine, in South Africa, for example, States Marine, headed by Henry Mercer of New York, helped set up a company for an old friend, former British Air Marshal Harris. As the Fortune article says:

Mercer was instrumental in getting some ships from the United States Maritime Commission for the South African company, and the two firms whack up 50/50 such cargo as they can corral that is headed either east or west between the United States and South Africa.

Only by resorting to the broad authority in the Federal Maritime Board to use general agents to operate vessels owned by the United States for experimental or testing purposes, can the assignment of the nuclear ship *Savannah* to States Marine rather than to an American operator without foreign connections be legally justified.

While flexibility of authority is undoubtedly desirable in connection with the development, trial and testing of vessels for experimental purposes, no facts have come to my attention which would justify the assignment of a vessel having the significance of the nuclear ship *Savannah* to an operator who because of extensive foreign-flag affiliations cannot meet the tests laid down in the 1936 act, when there are fully-qualified wholly-owned American steamship companies available to perform this important function.

In this connection, it is my understanding that an interagency operator selection board of the Maritime Administration and the Atomic Energy Commission was appointed to review and analyze the replies of the seven operators indicating an interest in operating the *Savannah*. It is further my understanding that this Board unanimously

recommended American President Lines, Limited, as first choice and United States Lines Company as second choice, on the basis of the many factors involved, but with particular reference to basic trade routes and extent of experience with passenger operations. Moreover, these two companies have already made substantial studies in connection with nuclear propelled vessels. Unfortunately, I cannot vouch for the accuracy of the conclusions which I have been told were contained in the report of the interagency board, because I have been unable to obtain a copy of the report. I have requested the Maritime Administrator to furnish me with a copy of the board's report with the background justifications for the final selection of an operator. This has been denied me.

Nonetheless, it is a well-known fact that States Marine does not now, and never has, engaged in the operation of passenger vessels, although I believe the Isthmian subsidiary carries some passengers on its 12-passenger freighters. I am at a loss to understand the decision that has been made.

The publicity attending the announcement of the assignment of the vessel states that in the handling of future passenger travel, Matson Navigation Co. would act with States Marine. Again I cannot understand why other qualified American passenger operators should have been passed over in favor of a company that had indicated no interest in operating the vessel.

The picture becomes even more cloudy and confusing when it is realized that the able and distinguished new Chairman of the Atomic Energy Commission, Honorable John A. McCone, is a man with extensive shipping interests. Mr. McCone's shipping companies are Joshua Hendy Corp., and Panama Pacific Tankers which are engaged directly or through subsidiaries in the shipping business as owners, charterers and operators of ships under both foreign and American flag. The Hendy vessels are employed in the distribution of chemicals, crude oil and refined petroleum products, and iron ore and bauxite. At the time of his nomination for the Atomic Energy Commission post, Mr. McCone was engaged in a very active partnership with Mr. Mercer, the head of States Marine Lines. According to the August 1958 issue of Fortune:

With Mr. Mercer's support, Mr. McCone had plunged ahead with a plan to make Joshua Hendy one of the most important seagoing ore carriers. Its trade prospered. It was hauling iron ore from Venezuela and Peru, bauxite from Jamaica, and chemicals in the intercoastal trade.

The nomination hearings before the Senate Section of the Joint Committee on Atomic Energy on July 2 of this year do not go into detail except to show that Mr. McCone has divested himself of his control of the two shipping corporations to the extent of placing his stock in them in an irrevocable trust with the trust department of the California Bank of Los Angeles. I have no concern with the arrangements made by Mr. McCone to meet the technical requirements of the law in regard to the difficult problem of avoiding conflicts of interests

faced by so many able and successful businessmen when called to public service. However, the facts concerning the intimate business relationships which have existed between Mr. McCone and Mr. Mercer raise certain obvious questions when we seek to find the answer to the apparently illogical assignment of the nuclear ship *Savannah* to States Marine Lines by the Department of Commerce and the Atomic Energy Commission.

Another recent development seems to shed further light on a picture that becomes more complicated as it is examined. As recently as August 14, 1958, the president of Matson Orient Line, Inc., an applicant for operating subsidy from United States Atlantic ports to the Far East, announced that Matson Navigation Co. and Isthmian Lines, Inc., will each acquire a 50-percent ownership of Matson Orient. Matson Navigation and Isthmian will buy 100 percent of the common stock of Matson Orient, Inc., for \$8½ million, with which Matson Orient then proposes to purchase three vessels from each Matson Navigation and Isthmian with which to commence its new service and will have \$1 million left over as working capital. The officers and directors of Matson Orient Line are also officers or directors of one or more of Matson Navigation Co., Isthmian Lines, Inc., and States Marine Corp. Perhaps this new development explains why Matson Navigation Co., which expressed no interest in operating the *Savannah*, should nevertheless be designated to act with States Marine in the handling of future passenger travel.

Mr. Speaker, even though I have no reason to believe that any law has been violated by the decision of the Secretary of Commerce to select States Marines Lines as operating agent for the nuclear ship *Savannah* in preference to exclusively American-flag lines, which to me are seemingly more logical and qualified, the known circumstances in this matter are of great interest to me and I feel that they must be to the Members of Congress generally.

I do not know whether there was any undue pressure from any source that caused this situation to be brought about; but I can assure you that I intend to follow the future course of arrangements relative to the development and operation of our first nuclear merchant ship with even more intense interest than I heretofore have since I introduced the original authorizing legislation.

There is not now, and I doubt if there ever has been, any Member of this Congress more devoted to the cause of developing and maintaining a strong American-flag merchant marine. The Merchant Marine Act of 1936 is an excellent law if administered properly and carefully. But if it is not, I fear that we might again find ourselves confronted with the disgraceful situation that brought about the Black investigation of 1934 and 1935, with its disclosures of complicated corporate subterfuges and favoritism diverting the purposes of the then existing law which Congress had passed in the hopes of developing an

adequate, stable, and efficient merchant marine to serve the needs of the commerce and defense of this country.

Mr. Speaker, I will watch with interest to see who plucks the plum.

#### SUPPLEMENTAL APPROPRIATIONS 1959

Mr. CANNON submitted the following conference report and statement on the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes:

##### CONFERENCE REPORT (H. REPT. NO. 2686)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 36 and the amendment of the House thereto, and numbered 114, to the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 114. That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment, insert "\$2,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 36.

CLARENCE CANNON,  
JOHN J. ROONEY,  
J. VAUGHAN GARY,  
JOHN TABER,  
GERALD R. FORD, Jr.,  
FRANK T. BOW,

Managers on the Part of the House.

CARL HAYDEN,  
DENNIS CHAVEZ,  
ALLEN J. ELLENDER,  
CLINTON P. ANDERSON,  
STYLES BRIDGES,  
LEWIS T. SALTONSTALL,  
MILTON R. YOUNG,  
WILLIAM F. KNOWLAND,

Managers on the Part of the Senate.

##### STATEMENT

The managers on the part of the House at the further conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

##### CHAPTER VII

###### Independent Offices

National Aeronautics and Space Administration

Amendment No. 36: Reported in disagreement.

##### CHAPTER XIII

United States Information Agency

Payment to Information Media Guaranty Fund

Amendment No. 114: Appropriates \$2,500,000 instead of \$5,000,000 as proposed by the Senate.

CLARENCE CANNON,  
JOHN J. ROONEY,  
J. VAUGHAN GARY,  
JOHN TABER,  
GERALD R. FORD, Jr.,  
FRANK T. BOW,

Managers on the Part of the House.

Mr. CANNON. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

The Clerk read the conference report. Mr. CANNON. Mr. Speaker, this report is the result of the further conference with the other body on the supplemental appropriation bill for 1959.

On yesterday the House and the Senate disposed of all other differences on the bill. The report now before the House disposes of the two remaining amendments—Nos. 36 and 114.

Amendment 36 originally provided that in the future, no appropriation could be made to the National Aeronautics and Space Administration unless first authorized by law hereafter enacted. The House on yesterday refused to subscribe to that provision. The Senate further insisted. In the pending report, the managers reach agreement on language limiting the life of the provision to appropriations for any period up to June 30, 1960. Since appropriations for fiscal 1959 are already adopted, the provision will have no practical effect until the next Congress, at which time there will be opportunity to further consider the matter.

Amendment 114 inserted \$5 million for further payment to the information mediums guaranty fund under supervision of the United States Information Agency. The House had not considered the item and on yesterday, refused to concur. The Senate further insisted. The pending report proposes \$2,500,000 for the item, a compromise of one-half.

Mr. Speaker, the managers would of course have preferred to sustain the will of the House, but as with most proposed legislation, when the other body continues to insist, the only practical solution is compromise. On both amendments, we believe we secured a reasonable compromise.

In conclusion, Mr. Speaker, and by way of summary, the final appropriation totals for the bill in relation to the budget estimates and the House and Senate versions are as follows:

Budget estimates (including some not considered by House)	\$4,081,154.77
House bill	3,131,844.77
Senate bill	3,868,382.77
Conference total (final)	3,697,305.43
Conference total compared to budget estimates	-383,848.75

Mr. Speaker, the final total is a reduction of nearly 10 percent below total budget estimates. And to repeat briefly the statement of yesterday, this bill is more of a regular annual bill than a supplemental bill. It is only incidentally a supplemental bill. Nearly 85 percent of the conference total represents regular annual appropriations for general agencies and activities. And of the abnormally large increase over the House bill, approximately 90 percent represents amounts not considered by the House when the bill was first here.

The SPEAKER. The question is on suspending the rules and agreeing to the conference report.

January 18, 1962

available when a passport is denied, the applicant shall be accorded the right to appear, to be represented by counsel, to present evidence, to be informed of the evidence against him and the source of such evidence, and to confront and cross-examine adverse witnesses. These are the essential elements of due process. Rooted in experience they afford indispensable means toward the rendering of fair and reasonable judgments.

Mr. WALTER wants the Department of State to abandon these procedures. He wants the Department to deny passports to citizens of the United States on the mere say-so of anonymous informers, without allowing the applicant to confront the informers and cross-examine them, without allowing even the officials of the Department to know the identity of the informers. Apart from the fact that the Supreme Court has expressly declared that such procedure is forbidden by the Constitution, it is forbidden by commonsense as well. For decisions based on such evidence are not judgments at all; they are nothing more than capricious and arbitrary guesses.

No one can question Mr. WALTER's zeal to protect American security. But what kind of America will he have made secure if its citizens can be denied constitutional rights and deprived of liberty by the mere whim of administrative officers? We congratulate the Department of State for restoring fairness to its passport procedures. "For," as Judge Charles Fahy put it recently in an essay on "The Right To Travel," "liberty is precious and one may be deprived of it only by methods which are fair and for reasons which are sound and rest on the common good, on a good so great as to outweigh in some circumstances the great good of individual liberty."

Mr. MORSE. Mr. President, I was so moved by the editorial that I saw fit to send a letter to the Attorney General of the United States this morning on the subject of passports because, as Senators know, for years I have taken a very definite position in the Senate in regard to the constitutional questions that have been involved in the passport controversy. I wrote to the Attorney General as follows:

HON. ROBERT KENNEDY,  
Attorney General.

DEAR MR. KENNEDY: This letter is to advise you of my gratification with the regulations you worked out with the Department of State to govern the issuance of passports to persons believed to be Communists. In my opinion, it is long past time for the executive and legislative branches of the Federal Government to observe the provisions of the Constitution which too often are left to the courts alone to protect.

I know from my own experience that this area of domestic security against the Communist conspiracy is one of the most misunderstood issues of the cold war. As you know, after the U.S. Supreme Court ruled that the State Department could not withhold passports in the absence of legislative authority to do so, the previous administration tried to get Congress to pass such legislation. Unfortunately, it also sought congressional sanction of the use of star-chamber methods in determining whether a passport should be withheld.

The use of secret information available only to the official making the decision and denied to the individual who is exercising a given right is nothing but a police-state procedure. Whether the practice is used in connection with passports or any other official matter, it is the earmark of totalitarianism. It certainly is one of the principal abuses of Executive power from which our constitu-

tional forefathers tried to save the American people.

The right to know the identity of an accuser, to know the nature of the accusation, and the right to offer rebuttal are basic to due process of law. It is always astonishing to me that some people would destroy these Constitution guarantees of due process of law in the name of defending the Constitution.

It was for this reason that I opposed this legislation in 1958 and again in 1959. I especially objected to the attempt to rush a bill through the Congress in the closing days of the 85th Congress, with only a few days of hearings. I therefore objected to the holding of hearings while the Senate was in session, and as a result, no final action was taken. It was rather shocking to me that when members of the Foreign Relations Committee proposed legislation authorizing the withholding of passports with proper procedural safeguards, the Department of State declared: "Moreover, the Department must oppose any provision which might require the Secretary to make his determination on a particular passport application only on the basis of information and sources thereof which could be disclosed in open court."

Obviously, to make the determination on any other basis is repugnant to the terms and to the principles of our Constitution. I am pleased that you have now made this perfectly clear. I am also pleased that this battle I waged against police-state methods has been vindicated, and I am so informing Mr. Roger Jones, the Deputy Under Secretary of State for Administration, as well as yourself.

With kindest regards,  
Sincerely,

John McConne

WAYNE MORSE

Mr. President, this announced policy of the administration represents a very important contribution to constitutional guarantees on the part of this administration. It is a reaffirmation, with no question of doubt, with no equivocation, that these precious constitutional rights of due process will be respected by this administration. I congratulate the President of the United States that under his administration this very clear and unequivocal position in regard to the passport issue has been announced.

THE CENTRAL INTELLIGENCE AGENCY

Mr. MORSE. Mr. President, I am one who is very much disturbed and concerned about the discussions which have been carried on in the press with respect to the nomination of Mr. McCone as Director of the CIA. I have reached no final determination as to my own position on that nomination, because all the facts are not in. Before I make my final decision, I shall await the hearings before the committee, the report of the committee, and my own analysis of the record as it is finally presented to me as a Member of the Senate.

I do most respectfully say, however, in view of the information which has already been publicized, that the burden of proof is on the administration to justify this nomination. Every shadow of doubt as to the qualification of this nominee ought to be removed.

Mr. President, we are dealing here with an operation of an agency which also gives me great concern as a constitution-

alist. We are dealing here with an agency in which the people do not have very effective checks as of now. We are dealing here with an agency whose operations are conducted in complete secrecy, even so far as the elected representatives of a free people in the Congress of the United States are concerned.

I hold to the point of view that in our Republic the adoption of procedures of complete secrecy are difficult to justify under our constitutional system. I have never been one who holds to the point of view that the CIA should be allowed to operate as it now operates, in complete secrecy with respect to the attaining of knowledge of its actions by the elected representatives of a free people in the parliamentary body in our form of government, which is the Congress of the United States. Why do I say that? I say it as a constitutionalist. I find great difficulty reconciling the granting of such power to the CIA with that basic safeguard of freedom guaranteed to our people by the Constitution known as the check and balance system.

Where is the check on the CIA? Mr. President, do not tell me that the check is to be found in the office of the Presidency of the United States. I speak quite impersonally. It makes no difference to me who occupies the Presidency of the United States when we deal with a question of constitutional power and constitutional guarantees. I say, as I have said before, it is not safe for freedom to grant any agency of government, no matter how much it is attempted to cloak it under the name of security, the unchecked power now vested in the CIA.

Therefore, when the nomination for Director of CIA comes to the floor of the Senate, as long as that unchecked power remains vested in the CIA, it is incumbent upon us to see that the greatest care be exercised by us under the advise and consent clause of the Constitution in respect to that nomination. Unless every shadow of doubt is removed from this nominee as to his qualification, the senior Senator from Oregon will not possibly be able to vote for the confirmation of the nomination.

More than that, I believe that when the nomination is under consideration may be a fitting time to raise this whole question of unchecked CIA power on this side of the aisle. Much has been heard on this side of the aisle in recent years, when a representative of the party of the opposition occupied the White House, in respect to the CIA. As far as I am concerned, these issues are always two-way streets. Therefore, it is incumbent upon the Democratic side of the aisle in the Senate in this session of Congress to take a long, hard look at the question as to whether we are going to continue to permit the CIA to function with unchecked power, so far as the legislative branch of the Government is concerned, which is irreconcilable, in my opinion, with the very precious constitutional guarantee of checks and balances.

Mr. President, do not tell me that it is not safe to permit the elected parliamentary officials of a free people to take a look at the activities of the CIA;

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but that it is perfectly safe to allow a considerable number of unelected people, who never had to meet the challenge of a free ballot box in this Republic—not only on the staff of the CIA, but down in the Pentagon and in the State Department and at the White House staff level—to have knowledge as to the operations of the CIA. It is difficult to justify permitting appointed staff members of the executive branch to have access to CIA information and then say that the elected representatives of a free people must not have access to the activities, the maneuverings and, yes, sometimes, as I am satisfied, and as we already know and the record shows, manipulations in the field of foreign policy by CIA.

With the issue of war and peace so nip and tuck in our time, it is all the more important that we see to it that the check and balance policy of our Constitution be carried out in full.

Therefore the senior Senator from Oregon will continue to support, may I say to my Democratic colleagues—and I hope there will be sufficient Republican support—the passage of legislation in this session of Congress which places a congressional check on the CIA.

The time to consider it is now, when we have before the Senate of the United States the question of the confirmation of the nomination of the head of the CIA.

What are we afraid of? Freedom? What are we afraid of? The constitutional principles of the organic law of this land, which become meaningless if we sacrifice the check and balance system?

I am for as much check on the congressional branch of the Government as I am for a check on the executive branch. However, here in respect to the CIA we have an unchecked executive power that ought to be brought to an end.

We need to keep in mind that foreign policy is not the property of the President. The foreign policy of the United States is the property of the American people—all of them. All the President is, as I have said many times before, is the administrator of the people's foreign policy. I am concerned about being confronted with after-the-fact situations—after the CIA has created problems, as it has in the past—in certain foreign lands, which, in my judgment, have caused embarrassment to the United States. I speak as the chairman of the Subcommittee on Latin American Affairs. It is well known by members of my subcommittee that I am not too happy about some of the manipulations by the CIA in Latin America in times gone by. I think the policies of the CIA ought to be changed. What is wrong with that? What are we afraid of?

Do not tell me, Mr. President, that to preserve freedom, we must adopt the police state methods of communism or fascism. I renounce that theory. However, I see no escape from the premise that if we continue to tolerate the unchecked power of the CIA, we are adopting a police state procedure.

Let the record be clear as to what the operations of the CIA, in part, are. They

deal with the whole question of espionage. They deal with the whole question of spy activity. This is necessary. I have joined in voting millions of dollars for such activities of the CIA and shall continue to do so in the interest of security. However, I only insist upon the exercise of the constitutional right of Congress to check upon the work of that agency, which deals with espionage and spy activities. Apparently we have come to the pass where today it is necessary to have legislation for that purpose. That was not true in the early history of the Republic. What is needed is to review the relationship between Congress and the executive in the early history of the Government. Would we have told Webster or Calhoun, or any of the other great forefathers who trod the carpet of this great parliamentary Chamber, that it was necessary to have legislation to enable the legislative branch of the Government to find out what the executive branch of the Government was doing in some cloak-and-dagger operation somewhere in the world which might very well involve the suffering and the lives of tens upon tens of thousands of American boys? What would Jefferson have said about such an unchecked power at the time of his Presidency? All of these forefathers and many more would have thrown up their hands in horror at the suggestion that this was not an inherent right of Congress, ingrained in our constitutional system. As a matter of right, Congress should know what the CIA is doing, has done, and contemplates doing in connection with its operations in any foreign land.

I am one who believes that in this year of 1962 we may very well determine the whole future, if there is to be one, of the history of the United States.

I say most respectfully to my President—and I use the word in its proper sense—I truly love him for his great statesmanship and leadership. However, I say to my President, from the floor of the Senate today, that the greatest defense weapon which the American people have is the Constitution of the United States, with all the guarantees of procedural rights specifically spelled out and clearly inherent in it, and unanswerably implied, as well. With the utmost respect for the President of the United States, I raise the question: Why continue, under your administration, this unchecked, unreviewable policy of the CIA in the field of foreign policy? It is such unchecked power that can cause a war. Once the war situation is created and the incident has occurred, even though it might constitute a second "sinking of the Maine," there is no question as to what the action of Congress has to be.

We are in a situation in which we shall probably never again see Congress pass a declaration of war prior to the beginning of war. I think the probabilities are much greater that war will have started and that Congress, after the fact, will declare war. That is why this Senator is so much concerned about the unchecked power, exercised by the CIA or any other agency of Government.

So I raise my voice today with this warning, because a full discussion of the facts of the problem should not be avoided in the consideration of the McCone nomination.

I close by saying that I shall make my final decision on the McCone nomination when the whole record is in. But my administration has the burden of proof on that record, because from the objections and such documentation as I have already read, the administration cannot escape that burden of proof. We have been reading in recent days allegations, supported by documentation, which has been offered us for our consideration, but which, I hasten to add, should be subjected to the most thorough cross examination and analysis, in the form of a series of columns written by Drew Pearson. I have referred to Drew Pearson on other occasions, even when he has dipped his pen in my blood, as well as that of other Senators, to be undoubtedly the most able and effective muckraker of our time. But let us also recognize that the muckrakers throughout our history have performed a great public service to the American people. They are needed. Sometimes I think their breed should multiply. Be that as it may, I think the columns of Drew Pearson concerning McCone certainly place upon the administration, the burden of proof of answering them, because we are hearing from home about them. What do we read in the letters which come in, as they are coming in to me? "Is this true? Is that true? Is this true about this nominee as I read today or yesterday or the day before yesterday, in a Pearson column?"

I understand that as of January 17, 1962, Mr. Pearson wrote a column on the McCone nomination which was rather heavily edited by clipping shears by many newspapers. By that I mean that his article was not printed in full. I shall offer that column for printing in full at this time.

Mr. President, I ask unanimous consent to have the entire column written by Drew Pearson, and published by the Bell Syndicate on January 17, 1962, printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

JOHN MCCONE DID NOT SELL HIS STOCK WHEN HE BECAME AEC CHAIRMAN—HIS SHIPPING LINES DID PROFITABLE BUSINESS WITH AEC CONTRACTORS—THE LAW DOES NOT PERMIT ANY CHOICE ON CONFLICT OF INTEREST

(By Drew Pearson)

WASHINGTON.—In June 1958, John A. McCone, the new would-be Central Intelligence Chief, wrote a letter to Sherman Adams, later kicked out of Government for a conflict of interest, to see whether he, McCone, might have a conflict of interest as new Chairman of the Atomic Energy Commission.

Ignoring the fact that the Goldfine charges against Adams had not made him the best man to act as judge, McCone listed the Utah Construction Co., Kaiser Engineers, Dow Chemical, Union Carbide as doing large business with the Atomic Energy Commission, and simultaneously doing business with his own privately owned shipping companies.

Significantly, two of these companies, Kaiser and Utah Construction, showed the pattern of business links McCone has kept

with his old associates and war profiteers. McCone was president and a partner with Henry Kaiser and associates in running the California Shipbuilding Co. during the war when they rolled an investment of \$100,000 into an overall profit of \$44 million.

Later, when he was Under Secretary of the Air Force, McCone gave his old partner a quickie Flying Boxcar contract at three times the cost the Air Force was paying Fairchild. Incidentally, Senate hearings conducted by the late Senator Styles Bridges, of New Hampshire, showed that Kaiser and his subsidiaries got a total of \$219,011,919 in Government RFC loans; received \$6,568 million in Government contracts, and got approximately half a billion dollars in quickie tax writeoffs.

#### BIG AEC CONTRACTORS

Kaiser has also been one of the biggest contractors with the Atomic Energy Commission including the period when Kaiser's old partner, John McCone, was AEC Chairman.

The company which operates under the all-inclusive name of Utah Construction Co. is also part-owned by Kaiser and actually is a big seller of uranium to the AEC through its subsidiary, Lucky Mc Uranium Corp.

Union Carbide is one of the biggest contractors with the Atomic Energy Commission. It not only sells uranium to the AEC, but operates AEC Plants at Oak Ridge, Tenn., and Paducah, Ky. Both Union Carbide and the Kaiser interests benefited from the AEC's decision not to buy uranium from "underdeveloped countries." This obviously played into the hands of established American companies such as Union Carbide and Kaiser.

Yet McCone, before he became Chairman of the AEC in 1958, admitted that his personally owned shipping line, Joshua Hendy, handled "intercoastal and coastwise transportation of chemicals, transports products for Union Carbide, Dow Chemical, Standard Oil of New Jersey, Standard Oil of California, and others."

"I have some business relationships with Kaiser," he also testified, "inasmuch as a jointly owned company, 25 percent of which is owned by Hendy and 50 percent by Kaiser Aluminum, has a long-range contract to transport Kaiser's bauxite."

"Would your firm continue to deal with these firms in the atomic energy field, such as Union Carbide?" asked Senator CLINT ANDERSON of New Mexico.

"Yes, I would expect they would continue," replied the future AEC Chairman.

"Union Carbide is a large customer of Hendy's" ANDERSON reminded him.

"Yes, they are," McCone agreed.

#### ADAMS GIVES HIS OK

However, he insisted that placing the stock of his shipping companies in trust with the Bank of California, in which he is also a stockholder, cleared him of any conflict of interest. This left him, however, with the profits which would accrue from the contracts his shipping companies made from Union Carbide, Kaiser, and the other firms which did business with the AEC of which he was Chairman. In other words, while he was AEC Chairman, his shipping companies would benefit from business with AEC contractors.

On the basis of this, Sherman Adams, that great judge of conflict of interest, OK'd the arrangement; and the Senate, diverted by the Sherman Adams-Goldfine headlines, also OK'd it and confirmed McCone as AEC Chairman.

However, now that McCone is coming up for another, even more important, post, head of Central Intelligence, the Senate might take time to review the record and study the law.

The conflict-of-interest law gives no choice either to McCone or to the Senate.

McCone said he had done "A great deal of soul-searching" and had concluded he could handle the AEC Chairmanship without any favoritism. However, the AEC law does not permit a man to search his soul and make the decision. The law makes the decision for him. It gives no alternatives other than get out of any conflict with private business interests.

"No member of the commission," it reads, "shall engage in any business, vocation, or employment other than that of serving as a member of the commission."

The law was passed not to be rationalized after soul-searching, but to make sure that men like McCone did not serve on this powerful commission with the power to make tremendous profits for certain companies, unless they gave up their stock in the companies which benefited. This McCone did not do, and in an early column, one significant result affecting McCone's private shipping line will be reported.

Mr. MORSE. Mr. President, I say to my administration: Take a look at it. I want to know what the answers to it are. If those charges cannot be supported with facts, I want to know it. If the charges can be supported with facts, I do not see how I could possibly vote in favor of confirmation of the nomination.

Mr. President, I have taken the time to discuss the nomination in the entire framework of CIA power because I do not believe the two can be separated. I ask my administration to take another look at the question of whether this is the time for Congress to pass legislation setting up what frequently has been described as a congressional watchdog committee, with authority to find out, in behalf of the American people—which I believe is a constitutional obligation of the Congress—the facts about the CIA operations the world around.

#### UNITED STATES IN A CHANGING WORLD OF TRADE; RIGHTWING RETREAT FROM FREEDOM

MR. MORSE. Mr. President: I shall ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, two very interesting leaflets issued by what I consider to be a very effective lay educational organization in the country, one which is on a footing, in my judgment, with another great lay organization, the League of Women Voters, which is also a great study group. The National Council of Jewish Women is another of the great lay educational organizations, and I believe it carries out rather well the observations, published yesterday in the New York Times, in an article written by James Reston, in connection with the duty of the women of America to proceed immediately to take a careful look at some of the great public issues which confront the Congress, and to be heard from, as is not only their right, but also, I believe, is their duty.

So I ask unanimous consent that if the article written by James Reston has not already been ordered printed in the RECORD, it be ordered printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 17, 1962]  
HOW TO SAVE KENNEDY FROM CONGRESS  
(By James Reston)

WASHINGTON, January 16.—President Kennedy has started the new year by emphasizing the importance of improving the education of the American people, but it is the theme of this epistle that he won't get very far unless the women of the country come to his rescue.

What the President wants is to stamp out illiteracy (beginning presumably in the Congress and the press) and get through a program of Federal aid for public school construction, teachers' salaries, and college buildings and scholarships, with special emphasis on the training of scientists, engineers and technicians.

It is a demonstrable fact that we cannot control the scientists, engineers and technicians we already have and therefore need more philosophers, teachers, diplomats and nonatomic statesmen, but let that go for the minute. The point is that the President is ringing the school bell again, and needs help.

He is not likely to get much from the politicians. His bill to aid the colleges is in pretty good shape, but his general bill to help the public schools is hopelessly lost in a tangle of political and religious controversies. Somehow the present angry dialog has to be changed. Somebody has to find a new way to get around old men and old problems, and since women have been doing precisely that for several thousand years, why not pass the problem to them?

#### THE MUFFLED FACTS

The difficulty at the moment is that the facts have been obscured in a torrent of emotional arguments over Federal aid leading to Federal control of the classrooms; over the constitutionality of giving Federal funds to parochial schools; over racial integration in the public schools, and over State and local rights.

These are the things that have dominated the news of the education debate for years. By the time the story of the President's education bills gets out over the news wires into most local communities it is usually a report of conflict between Republican versus Democrat, North versus South, public versus parochial schools, Federal versus State or local control. There are exceptions, but this is the shorthand of it.

The question is whether there is a way to get the whole problem of modern education discussed calmly in all the communities of the country, large and small, not only the emotional, religious, racial, regional, political, and constitutional issues, all of which are important, but the facts as well.

The growth of the population is a fact. The shortage of classrooms and teachers is a fact. The replacement of unskilled labor by automatic machinery is a fact. The movement of kids from poorly educated communities into the competition of highly educated urban communities is a fact. Finally, the educational need of the Nation in the cold war is a very solemn fact.

From the days of the frontier in this country, the women have been civilizing their men and educating their kids (when they could catch them). In the little town, it is the women who have organized and attended the monthly book clubs and tried to cultivate the baboons they married and bring a little gentility into the house. In the larger cities in more recent years, it is the women again who have run the world affairs councils and brought the poets and lecturers to the community.

#### HOW TO DO IT

The educated women who are bored with the old man's lockerroom, barroom, and commercial shoptalk are the greatest unused natural resource in this country today.

gm  
August 31, 1962

Honorable John A. McCone  
Director  
Central Intelligence Agency  
Washington 25, D. C.

My dear Mr. McCone:

I have learned of your recent marriage and want to extend my heartiest congratulations to you and best wishes to your wife. It is my hope that the future will bring every possible happiness to both of you.

With kind regards,

Sincerely yours,  
L. Edgar Hoover

NOTE: We have enjoyed cordial correspondence with Mr. McCone. Our last letter to him congratulated him on becoming Director of CIA.

RVA:bsw  
(3)

ENCLOSURE

MCI - 7  
REC-13

161-1709-63

SEP 31 1962

REC'D HQ

EX-116

AUG 31 1962  
COMM-FED

- Tolson
- Belmont
- Mohr
- Callahan
- Conrad
- DeLoach
- Evans
- Malone
- Rosen
- Sullivan
- Tavel
- Trotter
- Tele. Room
- Holmes
- Gandy

F229

67 SEP 10 1962

MAIL ROOM ☐ TELETYPE UNIT ☐

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

432859

JOHN ALEX McCONE  
3025 WHITEHAVEN STREET  
WASHINGTON 8, D. C.

20 September 1962

Mr. Tolson	<input checked="" type="checkbox"/>
Mr. Belmont	<input checked="" type="checkbox"/>
Mr. Mohr	<input type="checkbox"/>
Mr. Callahan	<input type="checkbox"/>
Mr. Conrad	<input checked="" type="checkbox"/>
Mr. DeLoach	<input checked="" type="checkbox"/>
Mr. Evans	<input type="checkbox"/>
Mr. Malone	<input type="checkbox"/>
Mr. Rosen	<input checked="" type="checkbox"/>
Mr. Sullivan	<input checked="" type="checkbox"/>
Mr. Tavel	<input type="checkbox"/>
Mr. Trotter	<input checked="" type="checkbox"/>
Tele. Room	<input checked="" type="checkbox"/>
Miss Holmes	<input type="checkbox"/>
Miss Gandy	<input type="checkbox"/>

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW  
#432859

Dear Mr. Hoover:

How kind of you to take time to extend your  
congratulations to me and Theiline.

We will return shortly from our trip to  
Europe which has been a wonderfully happy time  
for both of us.

Also, I wish to express my deep appreciation  
for all your help to me, personally, during these  
past months. I will look forward to seeing you  
on my return.

Yours sincerely,

*no reply*  
  
John A. McCone

The Honorable J. Edgar Hoover  
Director, Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

REC-38  
161-1709-64  
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EX 104

SEP 21 1962

SEP 21 1962

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For Reference only  
Mailing List

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EXP. PROC.

SEP 21 1962

RECORDED 9/21/62

## THE WHITE HOUSE

WASHINGTON

January 9, 1963

Dear Mr. Chairman:

I wish to express to you, the members of the United States Intelligence Board, and to the individual members of the intelligence agencies my deep and sincere appreciation for your outstanding service to our Nation -- and the Free World -- during the recent international crisis.

In the course of the past few months I have had occasion to again observe the extraordinary accomplishments of our intelligence community, and I have been singularly impressed with the overall professional excellence, selfless devotion to duty, resourcefulness and initiative manifested in the work of this group. The fact that we had timely and accurate information, skillfully analyzed and clearly presented, to guide us in our judgments during this crisis is, I believe, the greatest tribute to the effectiveness of these individuals and agencies. The magnitude of their contribution can be measured, in part, by the fact that the peace was sustained during a most critical time.

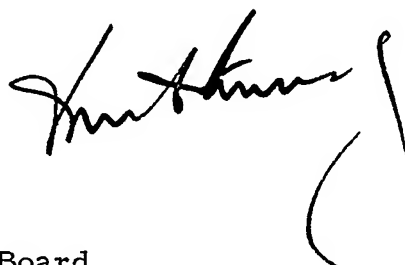
It is, of course, a great source of strength to me to know that we have such dedicated and skilled men and women in the service of our Nation in these times of peril. Although I cannot personally commend each member of the intelligence community for their individual efforts, I would like you to convey to them, through the members of the United States Intelligence Board, my personal word of commendation, my deep admiration for their achievements, and the appreciation of a grateful Nation.

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DATE 3-22-01 BY SP9 BJA/DFW

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The Honorable John A. McCone  
Chairman, United States Intelligence Board

ENCLOSURE

161-1709-65

FOR OFFICIAL USE ONLY  
UNITED STATES INTELLIGENCE BOARD

OFFICE OF THE CHAIRMAN

22 January 1963

Dear Mr. Belmont:

In the accompanying letter, the President asks me to express to you as a member of the United States Intelligence Board and to your intelligence colleagues not only his commendation, but the appreciation of our Nation for the exceptional effort and gratifying results attained during the crisis we recently faced. In our profession, such thoughts are not often presented to us in a way that permits us to convey them to those whose professional competence and dedication continue despite crises and emergencies.

Therefore, I ask that you inform the members of your organization of the President's commendation for the service they have rendered our Nation. In addition, please also accept my appreciation for the contribution you and your associates have made toward accomplishing the responsibilities placed on me.

It is my sincere wish that the President's approbation be made known to all who participated in our recent period of trial, but in such manner that it becomes a personal compliment to each, rather than a matter of public announcement. Your cooperation in assuring that the President's message receives the privileged handling required of such a communication will be greatly appreciated.

Sincerely,

SIGNED

John A. McCone  
Chairman

Mr. Alan H. Belmont  
Assistant to the Director  
Federal Bureau of Investigation

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DATE 3-22-87 BY SP4BJA/DFJ

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FOR OFFICIAL USE ONLY

161-1709-65  
ENCLOSURE

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FBI

JAN 31 10 40 AM '63

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THE DIRECTOR OF CENTRAL INTELLIGENCE

The Honorable J. Edgar Hoover  
Director, Federal Bureau of Investigation  
Washington 25, D. C.

Dear Mr. Director:

I believe that it will be a matter of special personal interest to you to note the attached citations presented by the President to members of the intelligence community for their performance during the Cuban crisis.

As Director of Central Intelligence it was my pleasant duty to present to your representative on the United States Intelligence Board a citation for services rendered.

I am sure it is a source of pride to you to have such recognition accorded to your intelligence representatives and I wish by this letter to add my own personal note to that effect.

Sincerely,

*John A. McCone*

John A. McCone

26 January 1963

*John A. McCone*  
RMW:nlh  
1/31/63  
8-10m

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ALL FBI INFORMATION CONTAINED  
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DATE 3-22-02 BY SP4BJA/BJW  
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ENCLOSURE

ST-114

ST-113

January 31, 1963

REC-13

Honorable John A. McCone  
Director  
Central Intelligence Agency  
Washington 25, D. C.

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DATE 3-22-82 BY SP4BJA/DFW  
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Dear Mr. McCone:

I want to thank you for your thoughtful

letter of January 26th and the attached enclosures. We are grateful that this Bureau had the opportunity to participate in an action of such monumental importance to our Nation. All of us in the FBI take considerable pride in the recognition accorded by the President to Assistant to the Director Alan H. Belmont and our other associates who assisted him.

Sincerely yours,

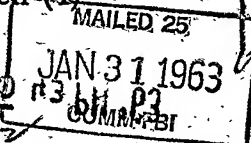
J. Edgar Hoover

1 - Mr. Alan H. Belmont - Enclosures (2)

NOTE: Reference card regarding McCone maintained in Crime Research Section, Crime Records Division.

Tolson  
Belmont  
Mohr  
Casper  
Callahan  
Conrad  
DeLoach  
Evans  
Gale  
Rosen  
Sullivan  
Tavel  
Trotter  
Tele. Room  
Holmes  
Gandy

RMW:lch (4)



REC'D NY  
FEB 12 1963  
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JAN 31 4 20 PM '63  
F.B.I.  
RECEIVED-DIRECTOR

JAN 31 4 50 PM '63  
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F.B.I.

OFFICE OF DIRECTOR  
FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

MR. TOLSON ☒  
MR. BELMONT ☒  
MR. MOHR ☒  
MR. WINTER ☒  
MR. CALLAHAN ☐  
MR. CONRAD ☒  
MR. DELOACH ☒  
MR. EVANS ☐  
MR. GALE ☐  
MR. ROSEN ☒  
MR. SULLIVAN ☒  
MR. TAVEL ☒  
MR. TROTTER ☐  
MR. JONES ☐  
TELE. ROOM ☐  
MISS HOLMES ☐  
MRS. METCALF ☐  
MISS GANDY ☐

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DATE 3-22-02 BY SP4 BJA/DFW  
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JAN 29 1963

UNITED STATES GOVERNMENT

## Memorandum

Tolson \_\_\_\_\_  
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 Callahan \_\_\_\_\_  
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 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

TO : Mr. W. C. Sullivan

DATE: April 12, 1963

FROM : D. J. Brennan

SUBJECT: ~~MRS. JOHN J. MC CONE~~  
~~MRS. PAUL PIGOTT~~  
~~JUDITH PIGOTT~~  
~~MARY PIGOTT~~  
 CENTRAL INTELLIGENCE AGENCY  
 REQUEST FOR BUREAU TOUR

b3 per CIA

[ ] Central Intelligence Agency (CIA), contacted the Liaison Agent at 10:00 a.m. and inquired if a tour of the Bureau could be arranged for Mrs. McCone, the wife of the CIA Director, and for Mrs. Paul Pigott and her two daughters, age 12 and age 14. Mrs. Pigott is the widow of Paul Pigott, a son from Mrs. McCone's first marriage. He was killed in an automobile accident several months ago.

John Arrangements have been made for a tour at 2:30 today. The visitors will be met in the Director's reception room at that time. The Director's office has been advised concerning this matter.

ACTION:

For information.

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Miss Holmes
- 1 - Mr. M. A. Jones
- 1 - Tour Room
- 1 - Liaison
- 1 - Mr. Papich

SJP:mlp  
 (8)

REC-50

161-1709-66  
 112 APR 15 1963

ALL INFORMATION CONTAINED

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DATE 3-22-02 BY SP4 BJA/DPW

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APR 19 1963

UNITED STATES GOVERNMENT

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Casper \_\_\_\_\_  
 Callahan \_\_\_\_\_  
 Conrad \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Evans \_\_\_\_\_  
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 Rosen \_\_\_\_\_  
 Sullivan \_\_\_\_\_  
 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

*RA* Memorandum

TO : Mr. Callahan

DATE: April 15, 1963

FROM : C. R. Davidson *CRD*

SUBJECT: MRS. JOHN *Y* MC CONE  
 MRS. PAUL *Y* PIGOTT } *D.C.*  
 JUDITH *Y* PIGOTT } *Wash.*  
 MARY *Y* PIGOTT }  
 CENTRAL INTELLIGENCE AGENCY (CIA)  
 BUREAU TOUR

*D.C.*  
*Wash.*

*DA BJA*  
*Paff*

At 2:30 p.m. on 4-12-63 SA Edward S. Miller of the Administrative Division met Mrs. Paul Pigott and her two daughters, Judith and Mary, in the Director's reception room where Mrs. John J. McCone, wife of the Director of CIA, had left them.

Subsequently, Mrs. Pigott and her daughters were taken on a tour of the Bureau's facilities which they seemed to enjoy very much. The Pigotts are from Bellingham, Washington, and Mrs. Pigott stated that they had been taken on a tour of CIA facilities but that her two daughters insisted before leaving Washington that they visit the FBI, which, of course, they had heard a great deal about during their young lives.

ACTION:

None, for information.

ESM:jms

(5)

- 1 - Mr. Sullivan
- 1 - Miss Holmes
- 1 - Tour Room

EX-102

161-1709-67

REC-34

11 APR 19 1963

54 APR 24 1963

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DATE 3-22-02 BY SP4 BJA/DAW

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UNITED STATES GOVERNMENT

## Memorandum

TO : W. C. SULLIVAN *WCS*

DATE: April 26, 1963

FROM : D. J. BRENNAN *AJB*SUBJECT: JOHN MC CONE, DIRECTOR  
CENTRAL INTELLIGENCE AGENCY (CIA)

*V. J. Brennan*

Tolson	_____
Belmont	_____
Mohr	_____
Casper	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

McCone was scheduled to leave Washington, D. C., April 25, 1963, for a visit of several days which will include stops in Rome, Italy, and Bonn, Germany. As previously advised, one of the main items of business in Rome will be an effort on the part of McCone to obtain a better picture of the Vatican's current policies toward Russia and communism. McCone also will be meeting with chiefs of CIA stations in Europe and Africa.

The above information should not be disseminated outside the Bureau.

ACTION:

For information.

- 1 - Mr. Belmont
- 1 - Mr. Sullivan
- 1 - Liaison
- 1 - Mr. Papich

SJP:gp *JP* (5)

EX-120

REC-91

161-1709-68

9 APR 30 1963

5- *Papich*

CC MR. TOLSON

03 MAY 2 1963

MAY 2 5 04 PM '63

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DATE 3-22-02 BY SP4 BJA/DFW  
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UNITED STATES GOVERNMENT

## Memorandum

TO : Mr. Belmont

DATE: May 20, 1963

ST FROM : C. A. Evans

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-82 BY SP4BJA/DFW  
4432859

SUBJECT: CENTRAL INTELLIGENCE AGENCY (CIA)  
DIRECTOR JOHN MC CONE

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Conrad \_\_\_\_\_  
Evans \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

The Attorney General was contacted this afternoon, May 20, 1963, at his request. On arrival in his office, the Attorney General had with him CIA Director McCone. He said that McCone had taken up with him a matter relating to the FBI, which he would like to have Mr. McCone relate to me. I interrupted to say that while I was generally familiar with the matter I believed Mr. McCone had in mind, I would be happy to listen to anything that McCone wanted to say.

McCone then related the same story he previously told Belmont with reference to matters advanced by CIA before the President's Foreign Intelligence Advisory Board. It is recalled that we had been contacted by CIA and told that McCone had advocated across the board technical coverage of diplomatic establishments in the United States and the adoption of Russian tactics in compromising foreign diplomats. McCone contended that Belmont had falsely assumed that McCone had advanced these ideas.

McCone was told that there wasn't any false assumption; that ranking officials of his organization had told us this was what McCone had done. Using the same tactic he did with Belmont last week, McCone tried to divorce himself from responsibility for CIA and contended that Belmont should have taken this up with him personally, since they saw each other weekly at the United States Intelligence Board Meetings. I again told McCone we were entitled to rely on statements made by ranking officials of CIA.

McCone passed this by and took up the letters we had sent the Attorney General and O'Donnell at the White House, which he said did not reflect his personal position or what he had actually presented to the President's Foreign Intelligence Advisory Board. I again told McCone

1 - Mr. Sullivan

MAY 27 1963

CAE:vap

(5)

JUN 3 1963

NOT RECORDED

MAY 27 1963

LIAISON

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Memorandum to Mr. Belmont

the letters reflected what his officials had told us were the facts and stood on that basis. McCone consistently referred to these letters as "Belmont's letters," which I corrected by saying that the letters were official communications from the FBI.

As obviously this discussion wasn't getting anywhere, the Attorney General interrupted to say he thought it would be best if these matters could be worked out without having to involve either him or the President.

McCone said that while his discussion with Belmont had been a heated one, nevertheless something constructive was coming out of it. He noted that he had raised with Belmont the need for CIA to know what technical coverage the FBI had in the diplomatic field; that CIA should be able to suggest to the FBI certain technical coverage predicated upon information being developed abroad by CIA; and that to assist in proper evaluation the FBI would identify certain information as having come from technical sources. I told Mr. McCone it was my understanding that some matters of this type had been raised and these were being considered.

This terminated the conversation.

It is noted that the Attorney General had had McCone over to his office for lunch, and it would appear that McCone used this opportunity to try and sell his views to the Attorney General.

only in  
select instances where  
CIA has a definite interest  
& need to know

V. K. MC

S

I regret learning that too  
many of our people  
clean with us & under the  
eye of the government. I  
hope some of our people  
who have been for CIA  
will ultimately realize  
the truth.

UNITED STATES GOVERNMENT

## Memorandum

TO :

Mr. Belmont *W*

DATE: June 17, 1963

FROM :

C. A. Evans *V*

SUBJECT:

CIA DIRECTOR JOHN MC CONE

Tolson	_____
Belmont	_____
Mohr	_____
Casper	_____
Callahan	_____
Conrad	_____
DeLoach	_____
Evans	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
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Tele. Room	_____
Holmes	_____
Gandy	_____

In talking with Kenneth O'Donnell of the White House over the weekend, he told me of a conversation he had had with the President in the last few days, at which time the President indicated rather extreme dissatisfaction with the way CIA is being run. The only specific information advanced was that not only did CIA not produce, but Director John McCone was more interested in "protecting his flanks" and keeping the record favorable than getting down to the tough problems which must be solved if CIA is ever to operate efficiently.

CAE:vap  
(7)

- 1 - Mr. Sullivan
- 1 - Mr. Papich
- 1 - Liaison Section

161-1709-70  
NOT RECORDED  
176 JUN 26 1963

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DATE 3-22-02 BY SP4 BJA/DFW  
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6 JUN 25 1963

56 JUN 28 1963

ORIGINAL FILED IN 62-80750

UNITED STATES GOVERNMENT

# Memorandum

TO : Mr. W. C. Sullivan

DATE: 11/21/64

FROM : R. W. Smith

*John McCone*

SUBJECT: TELEPHONE CALL TO DIRECTOR'S OFFICE  
RE DELIVERY OF FLOWERS FOR A MR. MC CONE

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
#432859

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
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Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
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Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

*DC*  
SA C. J. Vizas, Duty Agent in Mr. Sullivan's Office, on 11/21/64 by referral from the Director's Office spoke to Mr. Frank Prevail of the J. H. Small and Sons' Florists, Dupont Circle, Washington, D. C., telephone number DU 7-7000. Call received at 10:30 a.m.

Mr. Prevail advised his shop had received a telegraphic order from Englewood, New Jersey, to deliver some roses to a Mr. McCone, in care of J. Edgar Hoover's Office, Law Enforcement Department, Washington, D. C. Mr. Prevail desired to know if there was a Mr. McCone assigned to Mr. Hoover's Office to whom the flowers could be delivered. Mr. Prevail was advised there was no Mr. McCone assigned to Bureau Headquarters and that no flowers should be delivered to FBI Headquarters for any Mr. McCone. Mr. Prevail desired to know if there could be some mistake and that the flowers were intended for Mr. McCone, Director of CIA. Mr. Prevail was advised that he could make direct inquiry of CIA to determine if there were any flowers scheduled to be delivered to the Director of CIA. The sender of the flowers was unknown to Mr. Prevail. He indicated that he would contact Englewood, New Jersey, in effort to clarify this matter. *B*

## ACTION:

For information.

CJV:jas (6)

- 1-Director's Office
- 1-Mr. Belmont
- 1-Mr. Sullivan
- 1-Mr. R.W. Smith
- 1-Mr. Vizas

REC-44 161-1709-71

5 NOV 25 1964

EX-114

CRIME RESEARCH

56 DEC 2 1964

DECLASSIFICATION AUTHORITY DERIVED FROM:  
FBI AUTOMATIC DECLASSIFICATION GUIDE  
DATE 06-12-2013  
F32M43K63

UNITED STATES GOVERNMENT

# Memorandum

1. per [unclear]  
Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
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Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

TO: Mr. DeLoach

DATE: 10-10-64

FROM: M. A. Jones

SUBJECT: JOHN A. McCONE, DIRECTOR  
CENTRAL INTELLIGENCE AGENCY  
TO MEET DIRECTOR AT 3:30 P. M.,  
MONDAY, OCTOBER 12, 1964

22202  
CLASSIFIED BY SP4BSA/DFW  
DECLASSIFY ON: 25X  
11432859

## BACKGROUND:

The Director has agreed to see John A. McCone, Director of the Central Intelligence Agency (CIA) at 3:30 p. m., Monday, October 12, 1964. The appointment was made at the request of John McCone whose desires to see the Director were transmitted through our Liaison Agent. This request was contained in a memo from Mr. Brennan to Assistant Director Sullivan dated 10-8-64, wherein it was indicated that McCone undoubtedly wanted to see the Director regarding information received from Anatoliy Golitzyn, a Soviet KGB defector. McCone had a lengthy meeting with Golitzyn on 10-3-64. The Director has requested a short memo on Golitzyn and this is being handled by the Domestic Intelligence Division. In Brennan's memo of 10-8-64, it was further pointed out that as an incidental matter McCone might make a passing reference to the fact that CIA officials, including McCone, were allegedly alarmed when McCone's testimony before the Warren Commission was recently publicized by Jerry O'Leary of "The Evening Star." The CIA had received a report from an unidentified source that the FBI had furnished the Director's and McCone's testimony to O'Leary. It is noted that the Agency has not brought this matter up for any official discussion with our Liaison Agent. There are a number of references in Bufiles to John A. McCone and set forth below is a brief resume of information from our main files concerning him.

## BIOGRAPHICAL DATA:

John A. McCone was born 1-4-02 at San Francisco, California, and received his Bachelor of Science degree in 1922, from the University of California at Berkeley. He has had various business interests in California which include, among others, the California Shipbuilding Corporation (President), Pacific Far East Lines (Chairman of the Board), Pacific Tankers Corporation (Chairman of the Board), Joshua Hendry Ironworks (President and Chairman of the Board), and organizer and President of the Bechtel-McCone Engineering Company in Los Angeles.

- 1 - Mr. Tolson
- 1 - Miss Holmes
- 1 - Mr. Belmont
- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Liaison Section

ELC:ems (8)

1161-1709-  
NOT RECORDED  
102 NOV 18 1964

18 NOV 18 1964

CONTINUED - OVER

Jones to DeLoach Memorandum  
Re: John A. McCone, Director

INFORMATION IN BUFILES:

Applicant type investigations were conducted concerning McCone in 1947-1948, 1950-1951, 1954, 1958 and in 1961, the Kennedy Administration requested the investigation of McCone be brought up to date. No derogatory information was developed as a result of these investigations as to McCone's loyalty or character. Information was developed, however, that McCone allegedly showed favoritism or personal interest in awarding a 190 million dollar aircraft contract in 1957 to the Kaiser-Frazer Corporation. The allegation was refuted by prominent individuals in possession of knowledge concerning this. Allegations that McCone was involved in the illegal or unethical purchase of surplus vessels from the U. S. Government were also refuted during the investigation. (S)

Gordon Gray, Special Assistant to the President during the Eisenhower Administration, advised on 8-16-60, confidentially, that McCone was reportedly "easy" with the press. He had received information that McCone had associated in the past with Walter Lippman, Joseph Alsop, and was acquainted with Arthur Krock of "The New York Times." (S)

McCone's contacts with the Bureau have not been extensive; however, Bufiles indicate a cordial relationship has existed. In January, 1962, the Senate confirmed McCone as Director of the CIA. On 8-31-62, the Director congratulated McCone on his marriage to Mrs. Paul Pigott, widow of a Seattle industrialist. (S)

By letter dated 1-31-63, the Director thanked McCone for his letter enclosing citations presented by the President to the members of the Intelligence Committee for their performance during the Cuban Crisis. (S)

A memo from Mr. Evans to Mr. Belmont of 5-20-63 set forth a meeting in the Attorney General's Office where Evans and McCone were present and which concerned matters advanced by the CIA before the President's Foreign Intelligence Advisory Board. McCone had advocated across-the-board technical coverage of diplomatic establishments in the United States and adoption of Russian tactics in compromising foreign diplomats. McCone claimed that Mr. Belmont has falsely assumed that McCone had advanced these ideas. The Director noted on this memo "I regret observing that for years CIA has not played clean with us and under McCone it is even worse. I hope some of our people who have been pro-CIA will ultimately realize it." As the Director has indicated, there have been some instances in our files of "double dealing" on the part of CIA such as the situation regarding Lee Harvey Oswald's activities in Mexico City wherein McCone allegedly informed Congressman Ford that CIA had uncovered a plot in Mexico City indicating that Lee Harvey Oswald had received \$6,500 to assassinate President Kennedy. (S)

RECOMMENDATION:

For the Director's information.

~~ALL INFORMATION ON THIS  
PAGE IS CLASSIFIED (S)  
UNLESS INDICATED OTHERWISE~~

Tolson \_\_\_\_\_  
 Belmont \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
 Casper \_\_\_\_\_  
 Callahan \_\_\_\_\_  
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 Tavel \_\_\_\_\_  
 Trotter \_\_\_\_\_  
 Tele Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

## *Sister of B-5 CIA's McCone Dies in Calif.*

Alicia McCone, 66, sister of John A. McCone, U.S. Central Intelligence Agency director, died yesterday in San Bernardino, Calif., following heart surgery. McCone was at her bedside.

Miss McCone, a native and life-long resident of California, was a graduate of Immaculate Heart College and the University of California at Berkeley, where she majored in chemistry and animal husbandry. For the past 20 years, she had operated a ranch near Riverside.

Besides her brother she is survived by two sisters, both of California.

DUPE

The Washington Post and Times Herald B-5  
 The Washington Daily News \_\_\_\_\_  
 The Evening Star \_\_\_\_\_  
 New York Herald Tribune \_\_\_\_\_  
 New York Journal-American \_\_\_\_\_  
 New York Daily News \_\_\_\_\_  
 New York Post \_\_\_\_\_  
 The New York Times \_\_\_\_\_  
 The Baltimore Sun \_\_\_\_\_  
 The Worker \_\_\_\_\_  
 The New Leader \_\_\_\_\_  
 The Wall Street Journal \_\_\_\_\_  
 The National Observer \_\_\_\_\_  
 People's World \_\_\_\_\_  
 Date \_\_\_\_\_

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HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DEF

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ACK 3-4-65

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ENCLOSURE

MAR 4 1965

161-1709-72

March 4, 1965

Honorable John A. McCone  
Director  
Central Intelligence Agency  
Washington, D. C. 20505

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW

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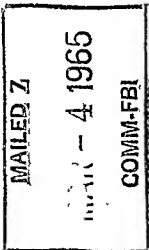
Dear Mr. McCone:

I was indeed sorry to learn of the  
passing of your sister, and I hasten to send you my  
deepest sympathy. I realize there is little I can  
say to ease your grief, but perhaps you will gain  
some consolation from knowing that the thoughts of  
your many friends in the FBI are with you at this time.

Sincerely yours,

J. Edgar Hoover

MAR 4 1 41 PM '65  
REC'D-READING ROOM  
FBI



CJJ:rsp (4)

rsp

ENCLOSURE  
(clipping)  
102

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Casper \_\_\_\_\_  
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Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

MAIL ROOM ☐ TELETYPE UNIT ☐

REC-32  
709-72  
MAR 5 1965  
J. Edgar Hoover

UNITED STATES GOVERNMENT

# Memorandum

TO : Mr. W. C. Sullivan *JS*

FROM : Mr. D. J. Brennan, Jr. *DB*

SUBJECT: JOHN A. MC CONE, DIRECTOR,  
CENTRAL INTELLIGENCE AGENCY

DATE: 3/1/65

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
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Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

Information developed by the Liaison Agent at CIA indicates that McCone has been pressing for an early resignation from his job. He allegedly has been asked by the President to hold on until approximately 5/1/65. The impression left at CIA is that the White House is experiencing problems in selecting a successor.

## ACTION:

For information.

1 - Mr. Belmont  
1 - Mr. Sullivan  
1 - Liaison  
1 - Mr. Papich  
SJP:chs  
(5) *chs*

REC-32

61-1709-7

18 MAR 5 1965

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW  
II432859

67 MAR 9 1965 =15

JOHN ALEX MCCONE  
3025 WHITEHAVEN STREET, N. W.  
WASHINGTON 8, D. C.

10 March 1965

Mr. Tolson	✓
Mr. Belmont	✓
Mr. Mohr	✓
Mr. DeLoach	✓
Mr. Casper	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. Felt	✓
Mr. Gale	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	✓
Mr. Trotter	✓
Tele. Room	✓
Miss Holmes	✓
Miss Gandy	✓

Dear Mr. Hoover:

How thoughtful it was of you to write concerning the recent loss of my sister. Her passing brought deep sadness to me and to the family. However, we take consolation in knowing that everything that could possibly be done for her was done. Her heart, which had troubled her throughout her lifetime, finally gave up despite the efforts of her doctors.

You were thoughtful indeed to offer your sympathy which both Theiline and I appreciate.

Since my tenure as Director of the Central Intelligence Agency is drawing to a close, I would like to take this opportunity to thank you personally for the excellent cooperation which you and your organization have afforded to me and to C.I.A. during my term of office. The close working arrangements between our two working organizations is a source of great satisfaction to me, and I am sure it reflects your own policy direction, which I very much appreciate.

Yours most sincerely,

*John Alex McCone*  
John A. McCone

The Honorable J. Edgar Hoover  
Director  
Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

58 MAR 23 1965

EXP. PROC.

MAR 11 1965

MAR 17 1965

5 MAR 17 1965

PERS. REC. UNIT

UNRECORDED COPY FILED IN 62-90750-1

UNITED STATES GOVERNMENT

# Memorandum

TO : Mr. W. C. Sullivan

DATE: 3/12/65

FROM : Mr. D. J. Brennan, Jr.

SUBJECT: CENTRAL INTELLIGENCE AGENCY (CIA)

Tolson \_\_\_\_\_  
Belmont \_\_\_\_\_  
Mohr \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
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Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

As of 3/11/65, rumors concerning McCone's imminent departure from CIA have been "hot and heavy" among top CIA officials. Nobody in the Agency appears to have any specific information regarding the identity of McCone's successor. The individual whose name is receiving more attention than others in the discussions at CIA is General Maxwell D. Taylor. Stories continue to circulate that the President may select somebody from CIA ranks such as Richard Helms, Lyman Kirkpatrick, Ray Cline, or Desmond Fitzgerald. McCone allegedly has made it very clear that he cannot delay and that he wants to leave as soon as possible. Last week he communicated with McGeorge Bundy and asked that the matter be brought to a head.

## ACTION:

For information.

- 1 - Mr. Belmont
  - 1 - Mr. Sullivan
  - 1 - Liaison
  - 1 - Mr. Papich
- SJP:chs  
(5)

161-1709-75  
NOT RECORDED  
145 MAR 24 1965

ALL INFORMATION CONTAINED  
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DATE 3-22-82 BY SP4 BJA/DPW  
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8 MAR 24 1965

60 MAR 31 1965

ORIGINAL FILED IN 42-80750-4285

March 18, 1965

MR. TOLSON:

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-21-02 BY SP4 BJA/DFW  
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The President asked me to see him at approximately 7:00 p.m. last night. While in his office he brought up several subjects of interest.

The President first discussed the special inquiry investigation on George Joseph Feldman. Feldman contributed heavily to the campaign. Speaker John McCormack is pressuring the President heavily to make Feldman the Ambassador to Australia. Feldman and John McCone of CIA are close personal friends. Our investigation on Feldman reflected that he was somewhat of a weakling, his wife was a nymphomaniac and most certainly, mostly due to his wife and her promiscuous ways, Feldman would not be a good Ambassador.

The President told me that John McCone had become very incensed over the FBI's investigative report. The President had shown McCone our report. McCone claims that the FBI interviewed "biased" individuals. He told the President that Mrs. Feldman is not sexually promiscuous.

The President asked that I take the investigative report back to FBI Headquarters and examine it carefully to see if additional investigation might be conducted which might clear this matter up. I told the President that we, of course, would do this, however, in our minds there was no question as to Mrs. Feldman's activities. I told the President that the record was very clear in this regard. He admitted this might be true but stated he had to do something in order to shut McCone up. He stated also he had to present a very good case to Speaker McCormack.

The next topic of conversation concerned the leak of information regarding Kermit Gordon, Director of the Bureau of the Budget, being made Secretary of the Treasury. I told the President that the Director wanted me to show him, in strict confidence, a copy of a letterhead memorandum from the Treasury Department to Wauhillion McHay, a Scripps-Howard reporter currently assigned to the Washington "Daily News." I told the President this Treasury Department memorandum had been found by a close contact and source of the FBI's in the desk of Miss McHay at the "Daily News." The President eagerly grabbed the memorandum exhibited to him and stated he would take care of the matter from then on. He put this memorandum in his desk drawer.

Mr. Tolson ☒  
Mr. Belmont ☒  
Mr. Mohr ☒  
Mr. DeLoach ☒  
Mr. Casper ☐  
Mr. Callahan ☐  
Mr. Conrad ☐  
Mr. Felt ☒  
Mr. Gale ☒  
Mr. Rosen ☒  
Mr. Sullivan ☐  
Mr. Tavel ☐  
Mr. Trotter ☐  
Tele. Room ☐  
Miss Holmes ☐  
Miss Gandy ☐

CDD:dgs

(2)  
64 APR 15 1965

Memo Cleveland  
to Ladd 3-19-65  
CDD

CONTINUED-OVER  
25 APR 6 1965

ORIGINAL COPY FILED IN 161-1709-76

Informal Memo to Mr. Tolson, 3/18/65

We next discussed the special inquiry investigation and report concerning [redacted] I told the President that he had asked me to personally hold this report until he called me to discuss the matter. I gave the President the report in question. He read it in its entirety. He made reference to the cover memorandum which reflected that he at one time had invited [redacted] to the LBJ Ranch. He stated that on one occasion he had invited [redacted] to ride horses at the ranch. He mentioned that other than this young woman bringing in news clips to him, this was the only time that he had had contact with her. He stated it could very well be true that [redacted] b6 b7C

[redacted] the Kennedy Administration, up to and including the late President. He mentioned that all this had been taken care of, however, inasmuch as [redacted] was leaving next week for a foreign assignment with the Department of State. The President added that Malcolm Kilduff, Assistant Press Secretary, would also be leaving in the next several days. He described Kilduff as a "drunk" and indicated that he was of no help to George Reedy. The President told me that the press is "beating George's brains out" and that he just had to get somebody that could be of assistance to him.

The President next mentioned the possibility of bringing in Don Wilson, Deputy Director of the United States Information Agency. He stated that he had particularly noted in conferences that Wilson was very objective in his statements and did not try to go overboard in conversation. The President gave the opinion that Wilson might make a very good assistant to George Reedy. He added that there was only one drawback, that being the fact that Wilson was reported to be a close friend of Bobby Kennedy's. The President stated he did not want Wilson in the capacity as Assistant Secretary if the report concerning his relationship with Kennedy is true. He asked me if I knew Wilson. I told him I did, that Wilson was formerly with Life Magazine and that the FBI had had some slight disagreement with him in the past. I told the President that I knew it to be a fact that Wilson had been close to Bobby Kennedy. The President asked that we give him an immediate name check on Wilson.

The President stated that he definitely wanted to find a replacement for Secretary Dillon of the Treasury Department without further delay. He stated that he was thinking seriously about David Rockefeller of the Chase National Bank in New York. He asked me if I knew anything about Rockefeller. I told him I did not, that the Director might undoubtedly know him or know of him. The President asked that a name check be made on Rockefeller immediately and that the results be personally furnished to him. I told him this would be done.

*Wilson is quite highly  
of him.*

- 2 -

CONTINUED-OVER

↓

Informal Memo to Mr. Tolson, 3/18/65

The President asked me if I had anything on my mind. I replied in the negative but stated that the Director had mentioned to me the opinion that the President had done a very excellent job before the Congress last Monday night. The President replied that he had done the best he could, however, the proposed legislation might result in lengthy debate. I told the President that he might want to give consideration to not using contact lenses when appearing on television. I indicated that the image projected made it look as if his eyes were almost closed. He said that Lady Bird had mentioned this and he thought that she had gotten her coaching from Edgar. He stated he would think about it. The President then walked with me to Marvin Watson's office where a short conversation of no consequence ensued.

ACTION:

(1) The Special Inquiry Section of the Special Investigative Division should carefully examine the report on George Joseph Feldman to ascertain if any further investigation can be conducted which will prove or disprove the allegations of Mrs. Feldman being promiscuous in sex relations with men other than her husband.

*Yes*

*- Being alone*

(2) The Crime Records Division will immediately prepare name checks, for the Director's signature, on both Don Wilson, Deputy Director, USIA, and David Rockefeller of the Chase National Bank.

*Yes*

RESPECTFULLY,

*✓*

C. D. DE LOACH

UNITED STATES GOVERNMENT

# Memorandum

TO : Mr. Gale

DATE: March 19, 1965

FROM : W. V. Cleveland

SUBJECT: GEORGE JOSEPH FELDMAN  
SPECIAL INQUIRY - WHITE HOUSE

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-82 BY SP4 BJA/DFW  
#432859

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Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

Re memo from C. D. DeLoach to Mr. Tolson dated March 18, 1965, indicating that Speaker John McCormack is pressuring the President to make Feldman Ambassador to Australia and that Feldman and John McCone of CIA are close personal friends. Our investigation showed that Feldman was somewhat of a weakling and his wife a nymphomaniac. John McCone, according to the President, claimed the FBI interviewed "biased" individuals. He further told the President that Mrs. Feldman is not sexually promiscuous. It was recommended and approved that further investigation be conducted which will prove or disprove the allegations of Mrs. Feldman being promiscuous in sexual relations with men other than her husband. THIS IS BEING DONE.

At the outset it should be noted that the investigation referred to by Mr. McCone was the third investigation conducted regarding Feldman. In 1958 an Atomic Energy Act - Applicant investigation was conducted and this investigation was brought up to date in 1962 as a Special Inquiry prior to the time he became a member of the Communications Satellite Corporation, Washington, D. C. The 1958 and 1962 investigations were compiled in a summary which was forwarded to the White House October 22, 1962, showing that a total of 62 individuals had been interviewed. These investigations were entirely favorable. The results of the last Special Inquiry investigation were forwarded to the White House February 8 and 18, 1965, and during this investigation 33 individuals were interviewed. Five of these 33 individuals furnished substantial derogatory information regarding Feldman and his wife.

## OBSERVATIONS:

It is recognized, of course, that John McCone cannot be told that we know that he told the President that we interviewed "biased" individuals and confronted with the fact that he has furnished the President completely erroneous information. The same thing could be accomplished, however, if Bureau Liaison could interview McCone and advise him that during three prior investigations a total of 95 individuals were interviewed and that despite this additional

- 1 - Mr. Belmont
- 1 - Mr. DeLoach
- 1 - Mr. Sullivan
- 1 - Mr. Papich
- 1 - Mr. Gale

4 APR 15 1965  
WVC:dp (7)

memo Brezniant  
Sullivan 3/25/65  
same as before  
STP: Ehs

25 APR 6 1965

Memorandum Cleveland to Gale  
RE: GEORGE JOSEPH FELDMAN

investigation has now been requested. McCone could be told that during the course of our investigation it has been learned that Feldman and his wife are well known to him and that we would like his comments regarding them. In this way he will be on record should the Feldmans later become an embarrassment to this country as Ambassadorial representatives abroad.

ACTION:

It is recommended that Bureau Liaison interview McCone in line with the above, being careful not to divulge to him that we know he has discussed this case with the President.

gjs  
OK  
D  
V  
Q  
gjs  
gjc  
js

7-0101

April 12, 1965

PERSONAL

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJH/DGW

II432859

*[Handwritten signatures]*

Honorable John A. McCone  
Director  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. McCone:

It is with regret that your many friends  
in the FBI realize you are resigning as Director of the  
Central Intelligence Agency. All of us admire the manner  
in which you have carried out your responsibilities, and  
we are indeed grateful for the cooperation you have  
always given us. You have our best wishes for all  
possible success and happiness in your future endeavors.

APR 12 5 18 PM '65  
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FBI

Sincerely yours

J. Edgar Hoover

EX 110

61-1709 78

19 APR 15 1965

MAILED 5  
APR 13 1965  
COMM-FBI

✓

- Tolson \_\_\_\_\_
- Belmont \_\_\_\_\_
- Mohr \_\_\_\_\_
- DeLoach \_\_\_\_\_
- Casper \_\_\_\_\_
- Callahan \_\_\_\_\_
- Conrad \_\_\_\_\_
- Felt \_\_\_\_\_
- Gale \_\_\_\_\_
- Rosen \_\_\_\_\_
- Sullivan \_\_\_\_\_
- Tavel \_\_\_\_\_
- Trotter \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holmes \_\_\_\_\_
- Gandy \_\_\_\_\_

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58 APR 21 1965

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*[Handwritten signatures and initials]*

Tolson \_\_\_\_\_  
 DeLoach \_\_\_\_\_  
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 Tele. Room \_\_\_\_\_  
 Holmes \_\_\_\_\_  
 Gandy \_\_\_\_\_

## EXECUTIVE CHANGES

# John McCone Director at ITT

JOHN A. McCONE, former director of the Central Intelligence Agency, today was elected a director of International Telephone & Telegraph Corp.

Mr. McCone, prior to becoming CIA chief in 1961, served as chairman of the U.S. Atomic Energy Commission; Undersecretary of the Air Force; deputy to the Secretary of Defense; and a member of the president's Air Policy Commission.

In private business, he has held such posts as executive vice president, Consolidated Steel; president of Bechtel-McCone and California Shipbuilding; and chairman of Joshua Hendy Corp.



JOHN A. McCONE

DUFF

ALL INFORMATION CONTAINED  
 HEREIN IS UNCLASSIFIED  
 DATE 3-22-82 BY SP4BJA/DFW  
 II 432 859

The Washington Post and Times Herald \_\_\_\_\_  
 The Washington Daily News \_\_\_\_\_  
 The Evening Star \_\_\_\_\_  
 New York Herald Tribune \_\_\_\_\_  
 New York Journal-American 22  
 New York Daily News \_\_\_\_\_  
 New York Post \_\_\_\_\_  
 The New York Times \_\_\_\_\_  
 The Baltimore Sun \_\_\_\_\_  
 The Worker \_\_\_\_\_  
 The New Leader \_\_\_\_\_  
 The Wall Street Journal \_\_\_\_\_  
 The National Observer \_\_\_\_\_  
 People's World \_\_\_\_\_  
 Date \_\_\_\_\_

ack to McCone  
 1-18-66  
 SAW: new / def  
 (gro) P. J. J. J.

gsw

161-1709-79

JAN 17 1966

New York Journal-American January 17, 1966

ENCLOSURE

~~PERSONAL~~ REC. UNIT

January 18, 1966

PERSONAL

gm  
0  
Honorable John A. McCone  
1100 Oak Grove Avenue  
San Marino, California 91108

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

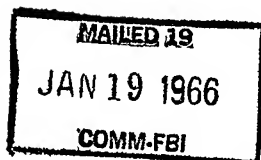
DATE 3-22-62 BY SP4 BJA/DFW  
432859

Dear John:

It was a pleasure to learn of your election  
as a director of International Telephone and Telegraph  
Corporation. Knowing of your fine qualifications, I am  
sure you will serve with distinction, and I did want to  
add my best wishes to the many others you will receive.

Sincerely,

Edgar



ENCLOSURE

- 1 - Los Angeles - Enclosure  
1 - New York - Enclosure

NOTE: Mr. McCone is the former head of Central Intelligence Agency (CIA). He is known to the Director on a first-name basis. Address obtained through CIA by liaison.

Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Mohr \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
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Tavel \_\_\_\_\_  
Trotter \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

SAW:kcf (5)

MAIL ROOM ☐ TELETYPE UNIT ☐

REC-61-1709-79

15 JAN 20 1966

JAN 18 4 43 PM '66  
REC'D READING ROOM

sw  
paw

JOHN ALEX McCONE  
612 SOUTH FLOWER STREET  
LOS ANGELES 17

Mr. Tolson	✓
Mr. DeLoach	✓
Mr. Mohr	✓
Mr. Wick	✓
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

January 27, 1966

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-83 BY SP4 BJA/DPW

II 432859

Dear Edgar

Thank you so very much for your thoughtful note commenting on my election to the Board of Directors of the International Telephone and Telegraph Corporation. This is truly a fine company and I feel honored and privileged to serve on its Board. You were most thoughtful to take time in your busy day to write to me and your letter gives me an opportunity to again express my very deep and sincere appreciation for the constant support that you have given me personally and also the activities I have directed from time to time in Washington.

With warm personal regards.

Sincerely

John A. McCone

Honorable John Edgar Hoover  
Director

Federal Bureau of Investigation  
United States Department of Justice  
Washington, D. C.

REC- 61

MCT-17

FEB 18 1966

70 MAR 1 1966

EXP. PROC.

JAN 31 1966

MAILED

JUN 3, 1966

JOHN ALEX MC CONE Summary  
Born: January 4, 1902  
San Francisco, California

NAME CHECK

In response to your name check request find enclosed three summary memoranda containing results of investigation of McCone conducted up to 1958.

In 1961, at the request of the White House, the investigation of McCone was brought up to date from 1958 and a summary memorandum of the investigation, which was favorable to McCone, was furnished to the White House. If detailed results of the 1961 investigation are desired you are referred to the office of the Honorable Marvin Watson, Special Assistant to the President, attention Mrs. Mildred Stegall. (161-1709)

John Alex

Original and 1 - OSI; 4th  
Request Received - May 16, 1966

KJ KJJ:bap  
(4)

Enclosures (3)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW

U432859

REC 12

161-1709-81

3 JUN 6 1966

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI, and is loaned to your agency; it and its contents are not to be distributed outside your agency. This reply is result of check of FBI investigative files. To check arrest records, request must be submitted to FBI Identification Division. Fingerprints are necessary for positive check.

55 JUN 8 1966

Federal Bureau of Investigation  
Records Branch

6/26, 1973

☒ Name Searching Unit - Room 6527☐ Service Unit - Room 6524☒ Forward to File Review☐ Attention Mr. [Signature]☐ Return to Mr. [Signature]

Supervisor Room Ext.

## Type of References Requested:

☐ Regular Request (Analytical Search)☒ All References (Subversive & Nonsubversive)☐ Subversive References Only☐ Nonsubversive References Only☐ Main References Only

## Type of Search Requested:

☐ Restricted to Locality of \_\_\_\_\_☐ Exact Name Only (On the Nose)☐ Buildup☐ Variations

Subject

McLONE, JOHN ALEX

Birthdate &amp; Place

ALL INFORMATION CONTAINED

Address

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW  
IL 432859

Localities

R#

603

Date

6-26

Searcher

Initials

700

Prod.

55-5-26-26

FILE NUMBER

SERIAL

I 161-1709 YOU HAVE  
 UTD 161-1709 (WE HAVE)  
 I 77-40957 " 1-1963  
 I 116-182387 NP with  
 I SUM 77-40957-122 6-12-58  
 I SUM 161-1709-51 11-2-61  
 I SUM 62-109090-236 6-10-60  
 120-129, 106 ;  
 I SUM 161-1709-81 6-2-66  
 I 62-80750-4152  
 I 62-109090-236 EP 327, 374, 433  
 JOHN ALEC  
 I 62-109090-168 EP 6524, 6522 THRU  
 6575, 6529 THRU 6599 ; this comes  
 John dJFK  
 I 9-44118 NP  
 I 62-110596-113 NP  
 I 62-109090-37, 136 NP  
 I 62-109717-21 NP

Federal Bureau of Investigation  
Records Branch

, 19\_\_

<input type="checkbox"/>	Name Searching Unit - Room 6527
<input type="checkbox"/>	Service Unit - Room 6524
<input type="checkbox"/>	Forward to File Review
<input type="checkbox"/>	Attention <u>Harding</u>
<input checked="" type="checkbox"/>	Return to <u>Farrington 4230</u>
	Supervisor Room Ext.

## Type of References Requested:

- ☐ Regular Request (Analytical Search)  
☐ All References (Subversive & Nonsubversive)  
☐ Subversive References Only  
☐ Nonsubversive References Only  
☒ Main & Sum References Only

## Type of Search Requested:

- ☐ Restricted to Locality of \_\_\_\_\_  
☐ Exact Name Only (On the Nose)  
☐ Buildup ☐ Variations

Subject John A. McCone  
 Birthdate & Place 1-4-02 Calif  
 Address \_\_\_\_\_

Localities \_\_\_\_\_

R# \_\_\_\_\_ Date 12/2 Searcher Initials mb

Prod. \_\_\_\_\_

FILE NUMBER

SERIAL

✓	77-40957 I
✓	87-86329
✓	116-182387 I
✓	161-1709 I
✓	77-40957-62 Sum 11/11/55
	158 " 9/27/61
	approx 75 pgs not listed
	John Alex (Sum)
✓	77-40957-122 Sum 6/12/58
✓	161-1709-51 " 11/2/61
	81 " 6/12/66
	4 pgs not listed
	John
✓	09-44118 I
	approx 60 pgs not listed
	J.A.
	51mt

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

 DATE 3-22-02 BY SP4 BJA/DFW  
11432859

18 IB

1966

Type of References Requested:

☐ Regular Request (Analytical Search)  
☐ All References (Subversive & Nonsubversive)  
☐ Subversive References Only  
☐ Nonsubversive References Only  
☒ Main \_\_\_\_\_ References Only

MAY 19 1966

ONLY 19 1966

Type of Search Requested:

☐ Restricted to Locality of \_\_\_\_\_  
☐ Exact Name Only (On the Nose)  
☐ Buildup ☐ Spelling Variations

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY

SP4 BJA/DFW

Subject 432857  
Birthdate & Place \_\_\_\_\_  
Address \_\_\_\_\_

Localities: \_\_\_\_\_

R# 47 Date 5-18 Searcher Initials 228

Prod. 110

FILE NUMBER	SERIAL
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Page 121-122

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157-1709 - 51 Jan. 11/81

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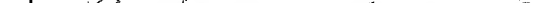
22-10324

7-2-10000 (20) 10/10

[illegible]

15/11/2011

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## NUMEROUS REFERENCE

## SEARCH SLIP

Subj: MCCONE, John ALEX

Supervisor \_\_\_\_\_

Room \_\_\_\_\_

R# 603Date 6-26

Searcher \_\_\_\_\_

Initial 700

Prod. \_\_\_\_\_

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

FILE NUMBER

432859

SERIAL

John

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|----|-----------------------------------------|---------------------|----|
| I  | 62-42007-373                            |                     |    |
| I  | 62-80750-3825                           | NP                  | NP |
| I  | 3984, 4048, 4073, 4075, 4097, 4098,     | NP                  | NP |
| I  | 4141, 4145, 4152, 4155, 4170, 4183,     | NP                  | NP |
| I  | 4184, 4185, 4186, 4242, 4274, 4309,     | NP                  | NP |
| L  | 4328;                                   |                     |    |
| I  | 65-65192-464                            | NP                  |    |
| I  | 65-30150-2476                           | NP                  |    |
| I  | 65-67235-712                            | NP                  |    |
|    | SPECIAL TIRE ROOM 3214                  |                     |    |
| I  | 65-68530-469K                           | 8P4149, 4450, 4152; |    |
| I  | 65-67669-135 P1-A,                      | 32 NP25,            | NP |
|    | 126, 129, 138, 164, 169, 170, 173, 185, |                     |    |
|    | 176, 249                                |                     |    |
| I  | 94-8-350-1158,                          | 1218, 1230          | NP |
| I  | 94-8-350-A                              | WASH POST, TIMES    |    |
| I  | 100-127094-651                          | NP                  |    |
| I  | 100-189256-343                          | NP                  |    |
| LI | 105-82555-3894,                         | 3689                |    |
| I  | 105-95677-332                           | NP                  |    |
| I  | 105-118682-1                            | NP                  |    |
| I  | 116-442786-33                           | NP                  |    |
| I  | 157-11845-91                            |                     |    |
| I  | 157-3804-238,                           | 241                 |    |

## NUMEROUS REFERENCE

SEARCH SLIP

Subj: McCONE, John Alex

Supervisor \_\_\_\_\_ Room \_\_\_\_\_

R# 603 Date 06-26 Searcher Initial 705

Prod. \_\_\_\_\_

FILE NUMBERSERIAL

~~INT~~ <sup>NI</sup> ~~57-12589-13,41~~ ~~I~~  
~~166-611-3~~ <sup>R659</sup>  
J. A. <sup>per GI</sup>  
~~I~~ 62-82221-2082NP.1960

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIEDDATE 3-22-02 BY SP4BJA/DFW  
D432859

JUN 26 1973

12651

## MEMORANDUM

PLEASE EXPEDITE

THE WHITE HOUSE

WASHINGTON

Dec. 2, 1969

TO: Robert H. Haynes, FBI

FROM: Egil Krogh

SUBJECT: FBI Investigations

ALL FBI INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 13-22-02 BY SP4 BJA/DFW  
1432859

Subject's Name McCone, John A. — SUMMARYDate of Birth 1/4/02 Place of Birth San Francisco, Calif.Present Address 1100 Oak Grove, San Marino, Calif.

We request:

☐ Copy of Previous Report☒ Name Check Please Expedite☐ Full Field Investigation

The person named above is being considered for:

☐ White House Staff Position☒ Presidential Appointment☐ Position with another Agency

ATTACHMENTS:

☐ SF 86 (in duplicate)☐ SF 87, Fingerprint Card☐ Biography

REMARKS:

161-1709 82  
REPORT SHOULD BE DELIVERED BY FBI TO: GERTRUDE BROWN

ENCLOSURE

PLAINTEXT

TELETYPE

URGENT

TO SACS WASHINGTON FIELD (77-26669)  
LOS ANGELES (161-385)  
NEW YORK (161-799)  
ALEXANDRIA  
SEATTLE

ENC. (4) BSM

FROM ACTING DIRECTOR FBI (161-1709)

*19 sent 6-26-73*  
*WFO 6/27/73*  
*for Massie*

*Jan*  
JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED: JULY 3,  
1973, WITHOUT FAIL.

*JOHN A. Mc Cone* *Orion*

WHITE HOUSE HAS REQUESTED VERY EXPEDITE INVESTIGATION OF  
MC CONE WHO IS BEING CONSIDERED FOR PRESIDENTIAL APPOINTMENT,  
POSITION NOT STATED.

BRING 1961 INVESTIGATION UP TO DATE.

BORN JANUARY 4, 1902, SAN FRANCISCO, CALIFORNIA, AND  
RESIDES 1100 OAK GROVE AVENUE, SAN MARINO, CALIFORNIA. ALSO  
MAINTAINS A RESIDENCE AT THE HIGHLANDS, SEATTLE, WASHINGTON.  
MARRIED TO THE FORMER THEILINE PIGOTT, WIDOW OF SEATTLE  
INDUSTRIALIST, PAUL PIGOTT, AND MOTHER OF SIX CHILDREN.

AT TIME OF 1961 INVESTIGATION MC CONE WAS SERVING AS  
PRESIDENT OF PANAMA PACIFIC TANKERS CORPORATION AND CHAIRMAN  
OF JOSHUA HENDY CORPORATION, BOTH LOS ANGELES, HOLDING LATTER

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/OPW  
4432859

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

NOTE: Request received today from White House.

REC-51 161-17039-83  
TELETYPE

RER:vsbush

(3)

366

70 AUG 2 3 1973

MAIL ROOM ☐ TELETYPE UNIT ☒ RETURN TO MR. RITZER, ROOM 1254.

Mr. Felt \_\_\_\_\_  
Mr. Baker \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Cleveland \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. Gebhardt \_\_\_\_\_  
Mr. Jenkins \_\_\_\_\_  
Mr. Marshall \_\_\_\_\_  
Mr. Miller, E.S. \_\_\_\_\_  
Mr. Soyars \_\_\_\_\_  
Mr. Thompson \_\_\_\_\_  
Mr. Walters \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Baise \_\_\_\_\_  
Mr. Barnes \_\_\_\_\_  
Mr. Bowers \_\_\_\_\_  
Mr. Herington \_\_\_\_\_  
Mr. Conny \_\_\_\_\_  
Mr. Mintz \_\_\_\_\_  
Mr. Eardley \_\_\_\_\_  
Mrs. Hogan \_\_\_\_\_

JUN 26 1973  
JUN 27 1973

TELETYPE TO WASHINGTON FIELD  
RE: JOHN ALEX MC CONE

POSITION UNTIL 1969.

MC CONE SERVED AS DIRECTOR OF CENTRAL INTELLIGENCE AGENCY  
FROM 1961 TO 1965.

SINCE 1968 HAS SERVED AS PRESIDENT AND DIRECTOR OF HENDRY  
INTERNATIONAL COMPANY, PRESUMABLY LOS ANGELES.

SEE WHO'S WHO FOR ADDITIONAL UP TO DATE BACKGROUND DATA.

LOS ANGELES SHOULD IMMEDIATELY ADVISE MC CONE THAT BUREAU  
HAS BEEN REQUESTED TO CONDUCT THIS INVESTIGATION. NO MENTION  
OF WHITE HOUSE SHOULD BE MADE. LOS ANGELES IMMEDIATELY OBTAIN  
IDENTITIES AND LOCATIONS OF ALL CLOSE RELATIVES AND SET OUT  
LEADS AT ONCE.

CONDUCT NO NEIGHBORHOOD INVESTIGATION OF MC CONE UNLESS  
SOME REASON ARISES INDICATING SUCH IS DESIRABLE AT WHICH TIME  
BUREAU AUTHORITY SHOULD BE REQUESTED.

DUE TO URGENT NATURE OF REQUEST IT IS IMPERATIVE BUDED  
BE MET WITHOUT FAIL. NO DELAY WILL BE TOLERATED.

SPIN.

December 3, 1969

BY LIAISON

Honorable Egil Krogh, Jr.  
Deputy Assistant to the President for  
Domestic Affairs  
The White House  
Washington, D. C.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW  
#432859

Dear Mr. Krogh:

Reference is made to your name check request concerning John A. McCone, who was born on January 4, 1902, at San Francisco, California, and who currently resides in San Marino, California.

Mr. McCone was the subject of applicant-type investigations conducted by the FBI in 1948, 1950, 1954, 1958, and 1961. The results of those investigations were summarized in communications dated May 5, 1954, June 12, 1958, June 24, 1958, June 30, 1958, and November 2, 1961, copies of which are attached. (77-40957) (116-182387) (161-1709)

Our files reveal no additional pertinent information concerning Mr. McCone.

The fingerprint files of the Identification Division of the FBI contain no arrest data identifiable with Mr. McCone based upon background information submitted in connection with this name check request.

Sincerely yours,

McCONE IS FORMER  
CIA DIRECTOR

Enclosures (5)  
Mr. DeLoach - (sent direct)  
Mr. Gale - (sent direct)

JCF:mcb (7)

Tolson \_\_\_\_\_  
DeLoach \_\_\_\_\_  
Walters \_\_\_\_\_  
Mohr \_\_\_\_\_  
Bishop \_\_\_\_\_  
Casper \_\_\_\_\_  
Callahan \_\_\_\_\_  
Conrad \_\_\_\_\_  
Felt \_\_\_\_\_  
Gale \_\_\_\_\_  
Rosen \_\_\_\_\_  
Sullivan \_\_\_\_\_  
Tavel \_\_\_\_\_  
Soyars \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Holmes \_\_\_\_\_  
Gandy \_\_\_\_\_

MAIL ROOM ☐ TELETYPE UNIT ☐

REC- 94

18 DEC 5 1969

58 DEC 11 1969

DEC 3 11 1969

MEMORANDUM

PLEASE EXPEDITE

THE WHITE HOUSE

WASHINGTON

June 25, 1973

TO: Robert H. Haynes, FBI

FROM: Jane Dannenhauer

SUBJECT: FBI Investigations

Subject's Name McCONE, John A.

Date of Birth 1/4/1902 Place of Birth San Francisco, Cal.

Present Address: 1100 Oak Grove Avenue, San Marina, Calif.  
612 S. Flower Street, Los Angeles, Calif.

We Request:                      Copy of Previous Report

                     Name Check

      X       Full Field Investigation

The person named above is being considered for:

                     White House Staff Position

      X       Presidential Appointment

                     Position with another Agency

Attachments:

                     SF 86 ( in-duplicate)

                     SF 87, Fingerprint Card

      X       Biography

Remarks:

ALL FBI INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

ENCLOSURE

161-1709  
77-40957

Del. to WFO, LA, NY, AX  
6-26-73  
161-1709-83  
RER: vsb

Box 2511 Houston TX 77001

JOHN PETER, office equipment mfg. co.  
1922, Reginald Walker and  
ident Douthett L., 1913, I.L.B.  
Osgood High Sch., Toronto,  
Mary Virginia White, Apr. 25,  
Virginia, Robert Came to U.S.,  
Lehigh Coal Navigation Co.,  
Apr. 1954, v. sales, 1960-63, exec.  
chief exec. officer, 1968-  
Rank Xerox Ltd., London, Eng.,  
The Rank Organisation  
London, Eng., First Nat City Corp.,  
chmn. adv. com. Woodrow  
Trustee Rochester Inst. Tech.,  
Cull University of Rochester;  
Genesee Valley (Rochester);  
Belle Haven, Greenwich Country,  
Home Broad Rd Greenwich CT

06904

WARREN, corp. exec., ret. air force  
1914, s. Joseph Warren and Doris  
Assesed Forces Staff Coll., 1950, Air War  
Core-Coll., 1969, m.-Mary Joan Martin,  
Mrs. Patricia, Carol Warren, joined RAF,  
1942, advanced through grades to major  
Squadron leader RAF, Eng., 1940-42;  
4th Fighter Group, Eng., 1942;  
glion, 1943; group operations officer  
AFB, La., 1943, comdr. 407th Fighter  
Group, Houston, Tex., 1943-44, 404th Fighter  
Group, 1944-45, dir. combat operations  
Belgium, 1945; comdr., dep. comdr. 3d  
Pinellas, Fla., 1945-46;  
Germany, 1946-47, 31st Fighter  
Group, dir. operations and ing. Hdqrs. Air  
Springs, Colo., 1950-52; dep. for operations  
Stewart AFB, Newburgh, N.Y.,  
Div. Newfoundland, Can., 1955-58; dir.  
CONAD, Lnt AFB, Colo., 1958-62;  
Def Center, Beale AFB, Cal., 1962-63;  
At AFB, Ore., 1963-64; vice comdr. 28th  
Cal., 1964, comdr., 1966; comdr. 4th Air  
1966-68, now pres., chmn. bd. dirs.  
San Francisco Decorated Legion of  
D.C., D.S.M., Air medal with 6 oak  
Flying Cross (ing.): Croix de Guerre with  
Cross de Guerre with palm, Fourragere  
Aces Assn. (charter), Air Force Assn.,  
Aer Assoc., Air Force Acad. Athletic Assn.,  
Dr Novato CA 94947 Office: 185 Post St

1904-1905: Douglass, coll. dean; b. Prichard, W. Va.,  
1905-1906: Nell (Billups) McC.; m. Francis Adele  
1906-1907: Cathleen, Patrick, High sch. tchr.,  
1907-1908: prof. to prof., head dept. elementary and  
1908-1909: 1961-67; dean Coll. Edn. Kan. State  
1909-1910: Field reader U.S. Office Edn.: chmn.  
1910-1911: Com. main. excc. com. Land Grant  
1911-1912: Asst. Com. on Tchr. Edn. Served with M.C.  
1912-1913: Soc. Assn. Assn. Supervision and  
1913-1914: Am Higher Edn. Assn., Kappa Delta Pi  
1914-1915: Zeta, Phi Kappa Phi. Hmc: 9309  
1915-1916: 1917-19

1964 S.W.E.L.L., pump co. exec.; b. New Castle, Pa.  
1929 m Jessie Elaine Chase, July 26, 1930;  
1929 m Raymond Grinstead, Jr., Malcolm, James C.  
Seneca Falls, N.Y., 1929—, pres., 1964—  
1929 m Betty H. Heater, N.Y., Oil Dynamics, Inc., Tulsa,  
Mem Seneca Falls Bd. Edn., 1948-58; pres.  
Seneca Falls Mem. Financial Excs. Inst.,  
Hone R D 2 Romulus NY 14541 Offices:  
13148

FRANCIS, justice; b. Denver, May 6, 1901; (Frederick) McC; student prep. Sch., U. of Cal. and Stanford Jr. U., 1917; LL.B. cum laude, U. of Cal., 1936; hon. degree U. of Cal., 1940; admitted to Cal. bar, 1920; practiced in Los Angeles; Ct. judge, 1927-37; justice Dist. Ct. of Cal., 1937-40; Cal. Supreme Ct., 1956-. Served as U.S. Marshal, 1938-1939; U.S. Marshal, 1939-1940; U.S. Marshal, 1940-1941; U.S. Marshal, 1941-1942; U.S. Marshal, 1942-1943; U.S. Marshal, 1943-1944; U.S. Marshal, 1944-1945; U.S. Marshal, 1945-1946; U.S. Marshal, 1946-1947; U.S. Marshal, 1947-1948; U.S. Marshal, 1948-1949; U.S. Marshal, 1949-1950; U.S. Marshal, 1950-1951; U.S. Marshal, 1951-1952; U.S. Marshal, 1952-1953; U.S. Marshal, 1953-1954; U.S. Marshal, 1954-1955; U.S. Marshal, 1955-1956; U.S. Marshal, 1956-1957; U.S. Marshal, 1957-1958; U.S. Marshal, 1958-1959; U.S. Marshal, 1959-1960; U.S. Marshal, 1960-1961; U.S. Marshal, 1961-1962; U.S. Marshal, 1962-1963; U.S. Marshal, 1963-1964; U.S. Marshal, 1964-1965; U.S. Marshal, 1965-1966; U.S. Marshal, 1966-1967; U.S. Marshal, 1967-1968; U.S. Marshal, 1968-1969; U.S. Marshal, 1969-1970; U.S. Marshal, 1970-1971; U.S. Marshal, 1971-1972; U.S. Marshal, 1972-1973; U.S. Marshal, 1973-1974; U.S. Marshal, 1974-1975; U.S. Marshal, 1975-1976; U.S. Marshal, 1976-1977; U.S. Marshal, 1977-1978; U.S. Marshal, 1978-1979; U.S. Marshal, 1979-1980; U.S. Marshal, 1980-1981; U.S. Marshal, 1981-1982; U.S. Marshal, 1982-1983; U.S. Marshal, 1983-1984; U.S. Marshal, 1984-1985; U.S. Marshal, 1985-1986; U.S. Marshal, 1986-1987; U.S. Marshal, 1987-1988; U.S. Marshal, 1988-1989; U.S. Marshal, 1989-1990; U.S. Marshal, 1990-1991; U.S. Marshal, 1991-1992; U.S. Marshal, 1992-1993; U.S. Marshal, 1993-1994; U.S. Marshal, 1994-1995; U.S. Marshal, 1995-1996; U.S. Marshal, 1996-1997; U.S. Marshal, 1997-1998; U.S. Marshal, 1998-1999; U.S. Marshal, 1999-2000; U.S. Marshal, 2000-2001; U.S. Marshal, 2001-2002; U.S. Marshal, 2002-2003; U.S. Marshal, 2003-2004; U.S. Marshal, 2004-2005; U.S. Marshal, 2005-2006; U.S. Marshal, 2006-2007; U.S. Marshal, 2007-2008; U.S. Marshal, 2008-2009; U.S. Marshal, 2009-2010; U.S. Marshal, 2010-2011; U.S. Marshal, 2011-2012; U.S. Marshal, 2012-2013; U.S. Marshal, 2013-2014; U.S. Marshal, 2014-2015; U.S. Marshal, 2015-2016; U.S. Marshal, 2016-2017; U.S. Marshal, 2017-2018; U.S. Marshal, 2018-2019; U.S. Marshal, 2019-2020; U.S. Marshal, 2020-2021; U.S. Marshal, 2021-2022; U.S. Marshal, 2022-2023; U.S. Marshal, 2023-2024; U.S. Marshal, 2024-2025; U.S. Marshal, 2025-2026; U.S. Marshal, 2026-2027; U.S. Marshal, 2027-2028; U.S. Marshal, 2028-2029; U.S. Marshal, 2029-2030; U.S. Marshal, 2030-2031; U.S. Marshal, 2031-2032; U.S. Marshal, 2032-2033; U.S. Marshal, 2033-2034; U.S. Marshal, 2034-2035; U.S. Marshal, 2035-2036; U.S. Marshal, 2036-2037; U.S. Marshal, 2037-2038; U.S. Marshal, 2038-2039; U.S. Marshal, 2039-2040; U.S. Marshal, 2040-2041; U.S. Marshal, 2041-2042; U.S. Marshal, 2042-2043; U.S. Marshal, 2043-2044; U.S. Marshal, 2044-2045; U.S. Marshal, 2045-2046; U.S. Marshal, 2046-2047; U.S. Marshal, 2047-2048; U.S. Marshal, 2048-2049; U.S. Marshal, 2049-2050; U.S. Marshal, 2050-2051; U.S. Marshal, 2051-2052; U.S. Marshal, 2052-2053; U.S. Marshal, 2053-2054; U.S. Marshal, 2054-2055; U.S. Marshal, 2055-2056; U.S. Marshal, 2056-2057; U.S. Marshal, 2057-2058; U.S. Marshal, 2058-2059; U.S. Marshal, 2059-2060; U.S. Marshal, 2060-2061; U.S. Marshal, 2061-2062; U.S. Marshal, 2062-2063; U.S. Marshal, 2063-2064; U.S. Marshal, 2064-2065; U.S. Marshal, 2065-2066; U.S. Marshal, 2066-2067; U.S. Marshal, 2067-2068; U.S. Marshal, 2068-2069; U.S. Marshal, 2069-2070; U.S. Marshal, 2070-2071; U.S. Marshal, 2071-2072; U.S. Marshal, 2072-2073; U.S. Marshal, 2073-2074; U.S. Marshal, 2074-2075; U.S. Marshal, 2075-2076; U.S. Marshal, 2076-2077; U.S. Marshal, 2077-2078; U.S. Marshal, 2078-2079; U.S. Marshal, 2079-2080; U.S. Marshal, 2080-2081; U.S. Marshal, 2081-2082; U.S. Marshal, 2082-2083; U.S. Marshal, 2083-2084; U.S. Marshal, 2084-2085; U.S. Marshal, 2085-2086; U.S. Marshal, 2086-2087; U.S. Marshal, 2087-2088; U.S. Marshal, 2088-2089; U.S. Marshal, 2089-2090; U.S. Marshal, 2090-2091; U.S. Marshal, 2091-2092; U.S. Marshal, 2092-2093; U.S. Marshal, 2093-2094; U.S. Marshal, 2094-2095; U.S. Marshal, 2095-2096; U.S. Marshal, 2096-2097; U.S. Marshal, 2097-2098; U.S. Marshal, 2098-2099; U.S. Marshal, 2099-2100; U.S. Marshal, 2100-2101; U.S. Marshal, 2101-2102; U.S. Marshal, 2102-2103; U.S. Marshal, 2103-2104; U.S. Marshal, 2104-2105; U.S. Marshal, 2105-2106; U.S. Marshal, 2106-2107; U.S. Marshal, 2107-2108; U.S. Marshal, 2108-2109; U.S. Marshal, 2109-2110; U.S. Marshal, 2110-2111; U.S. Marshal, 2111-2112; U.S. Marshal, 2112-2113; U.S. Marshal, 2113-2114; U.S. Marshal, 2114-2115; U.S. Marshal, 2115-2116; U.S. Marshal, 2116-2117; U.S. Marshal, 2117-2118; U.S. Marshal, 2118-2119; U.S. Marshal, 2119-2120; U.S. Marshal, 2120-2121; U.S. Marshal, 2121-2122; U.S. Marshal, 2122-2123; U.S. Marshal, 2123-2124; U.S. Marshal, 2124-2125; U.S. Marshal, 2125-2126; U.S. Marshal, 2126-2127; U.S. Marshal, 2127-2128; U.S. Marshal, 2128-2129; U.S. Marshal, 2129-2130; U.S. Marshal, 2130-2131; U.S. Marshal, 2131-2132; U.S. Marshal, 2132-2133; U.S. Marshal, 2133-2134; U.S. Marshal, 2134-2135; U.S. Marshal, 2135-2136; U.S. Marshal, 2136-2137; U.S. Marshal, 2137-2138; U.S. Marshal, 2138-2139; U.S. Marshal, 2139-2140; U.S. Marshal, 2140-2141; U.S. Marshal, 2141-2142; U.S. Marshal, 2142-2143; U.S. Marshal, 2143-2144; U.S. Marshal, 2144-2145; U.S. Marshal, 2145-2146; U.S. Marshal, 2146-2147; U.S. Marshal, 2147-2148; U.S. Marshal, 2148-2149; U.S. Marshal, 2149-2150; U.S. Marshal, 2150-2151; U.S. Marshal, 2151-2152; U.S. Marshal, 2152-2153; U.S. Marshal, 2153-2154; U.S. Marshal, 2154-2155; U.S. Marshal, 2155-2156; U.S. Marshal, 2156-2157; U.S. Marshal, 2157-2158; U.S. Marshal, 2158-2159; U.S. Marshal, 2159-2160; U.S. Marshal, 2160-2161; U.S. Marshal, 2161-2162; U.S. Marshal, 2162-2163; U.S. Marshal, 2163-2164; U.S. Marshal, 2164-2165; U.S. Marshal, 2165-2166; U.S. Marshal, 2166-2167; U.S. Marshal, 2167-2168; U.S. Marshal, 2168-2169; U.S. Marshal, 2169-2170; U.S. Marshal, 2170-2171; U.S. Marshal, 2171-2172; U.S. Marshal, 2172-2173; U.S. Marshal, 2173-2174; U.S. Marshal, 2174-2175; U.S. Marshal, 2175-2176; U.S. Marshal, 2176-2177; U.S. Marshal, 2177-2178; U.S. Marshal, 2178-2179; U.S. Marshal, 2179-2180; U.S. Marshal, 2180-2181; U.S. Marshal, 2181-2182; U.S. Marshal, 2182-2183; U.S. Marshal, 2183-2184; U.S. Marshal, 2184-2185;

HARRIS, Dean chapel B. Ashley, O., Aug. 22  
HARRIS, C. (Crouch) McE; B.A. Syracuse Un.  
June 22, 1946; children—Scott D.  
ministry Meth. Ch.; 1948; deacon  
Mexico City, 1942; asst. pastor  
Pastor Ashbury Meth. Ch., Crestwood  
N.Y.C., 1959-67, fraternal sec.  
N.Y.C., 1963-67, dean, sr. chaplain  
1967 Delegate to World Council  
Served as exhort with A.C., USNR  
Chaplains and Univ. Chaplains, Masonic  
Deaconry De Syracuse NY 13210 Office

photographer, b Isle of Man, Jan. 6  
 McCr, m Gertrude Vasek, 1936  
 Philip Henry War Corr Pictures  
 1444 44, London News Chronicle  
 photographer Life mag, 1946  
 Liny Brit, 1950, 55. Fellow  
 Menschen Irlenden Geschichte  
 Masses People 1951 Home 77 Sound  
 NY 1941 Office, Time & Life Bldg  
 City NY 10020

W. H. HASKELL, my co exec: b Oxnard, Cal.  
 " " " and Ellyne (Haskell) McC., A.B.  
 " " " Bradley, Lowell Ave. 1942

Home: 38 Van Tassel Lane Orinda CA 94503 Office: 255 California  
St San Francisco CA 94120

NICOLAZZ, G.H., pub. co. exec.; b Waxahachie, Tex., Nov. 9, 1909.  
 s Robert D. & Minnie (Parks) McC.; student Randolph Jr. Coll.  
 Tex.; Trinity U. San Antonio, m Mary Louise Matthews, Sept.  
 1936; children - Robert M., Mary Ann (Mrs James W. Patterson),  
 K. Sales exec. Fishburn Motor Co., Dallas, 1928-29; Willys  
 Overland Motor Cn., Dallas, 1929-30, with Curtis Circulation Co.  
 Phila., 1930 -- v.p., dir. single copy sales, 1951-62, pres., 1962-65;  
 chmn., chief exec. officer, 1965-69; pres., dir., 1969 -- circulation dir.,  
 Curtis Pub. Co. Phila., 1962-66, v.p., 1963, sr. v.p., 1964-68, exec. v.p.,  
 1968, pres., 1969-70, dir. Curtis Distrib. Co. Ltd., Toronto, Can.,  
 1953 -- pres., 1957-66, chmn., 1969; v.p., dir. Nat. Mag. Service,  
 Chatham, N.J., 1953-67; dir. Moore-Cottrell Subscription Agys., Inc.,  
 1953-68, chmn. bd., 1964-68, dir. Keystone Readers, 1962-68, chmn. bd.,  
 1963-68; v.p., dir. Cal-Jense Industries Corp., Inc., 1970 -- Sec'y to  
 Lt. USNR, 1944-45. Mem. Bur. Ind. Pubs. and Distrib., (past chm.),  
 hon. dir., also past pres., hon. dir. 25 Years Club), Adv. Council (dir.).  
 Clubs: Downtown (dir.) (Phila.); Springhawn (Wallington, Fla.);  
 Canadian (N.Y.C.); Seaview Country (Abeeson, N.J.). Home: 312  
 Maple Ave Swarthmore PA 19080 Officer: Curtis Circulation Co.  
 Independence Sq Philadelphia PA 19105

**NICCOMBS, ROBERT PRATT**, physician; b Phila., Dec. 13, 1909; 3, Robert Shelmireman and Richenda Henrietta (Pratt) McCar; B.S., Yale, 1931; M.D., L. Pa., 1935; m. Dorothy Elizabeth Reist, Apr. 14, 1941; children—Peter, Patricia. Intern. Ind. U. Hosp., 1935-36; dir. clinics Abington (Pa.) Meml. Hosp., 1938-41; instr. state-wide postgrad. course internal medicine, Tenn., 1941-43; practice internal medicine, Boston, 1946—; asst. prof. medicine, dir. postgrad. teaching, Tufts U. Sch. Medicine, 1946-49, prof. grad. medicine, dir. post-graduate teaching, 1949-66, prof. medicine, 1966—; senior staff physician, cons. in allergy and pulmonary disease New Eng. Med. Center Hosp., Boston, 1946—; president Mass. Postgraduate Med. Inst., 1962—. Served as Lt. comdr., M.C., USNR, 1943-46, Diplomat, Am. Bd. Internal Medicine, Fellow A.C.P.; mem. Charles River Dist. Mass. med. socs., A.M.A., Am. Acad. Allergy, New Eng. Soc. Allergy (pres.). Author: Internal Medicine in General Practice, 1947; Internal Medicine: A Physiologic and Clinical Approach to Disease, 1956; Fundamentals of Internal Medicine, 1971. Contrb. of articles to medical journals. Home: 15 Caroline Park Waban MA 02168 Office: 17 Harrison Av Boston MA 02111

MCCOMIE, VALERIE THEODORE, diplomat; b. Trinidad, W.I. Apr. 1, 1920; s. George Rudolph and Denise (Sotillo) McC.; B.A., U. London, Eng.; postgrad. U. Bordeaux, France, U. Cal., Los Angeles, U. Maryland, U. Michigan; m. 1942 (dec.); 1 dau., Gail Andrea. Asst. master, Lodge Sch., Barbados; asst. D. Anglans, Barbados; modern langs, tchr. Verde Valley Sch., Ariz.; modern langs, tchr. Agona Suedru, Ghana; resident tutor extra mural dept. U. W.I.; ambassador, rep. of Barbados to OAS; now ambassador of Barbados to U.S.A. Home: 4850 Lincoln Ave NW Washington DC 20008 Office: 2144 Wyoming Ave NW Washington DC 20008

**MCCONAGHA, ALAN**, newspaperman; m. Barbara Melamed, Jun 22, 1966; children—William Arthur, Megan Mara. With Montgomery (Ala.) Advertiser, 1956-57; with Mpls. Tribune, 1957—, European corr., 1967-69, Washington correspondent, 1970—. Office: Mpls. Tribune 940 National Press Bldg Washington DC 20004

MCCONAGHA, GLENN LOWERY, coll. pres.; b. New Concord, O., June 2, 1910; s. David Hawthorne and Lida (Taylor) McC.; A.B. Muskingum Coll., 1932; A.M., Ohio State U., 1934, Ph.D., 1936; student U. Pitts., 1936-37; m. Pearl Esther Hook, Apr. 8, 1939. Instr. social studies Alleghpa (Pa.) High Sch., 1934-38; asst. prof. edn. Muskingum Coll., summers, 1935-38; instr. edn. Ohio State U., Columbus, 1939-40; asst. dir. field service, 1941-42; pre-induction classification officer, Huntington, W. Va., 1943; exec. officer, U.S. Armed Forces Inst., Madison, Wis., 1944-45 (commnd. U.S. Arm. 1947), comdt., 1945-49, ednl. dir., 1949-50, civilian dir., 1950-53; exec. v.p. Muskingum Coll., 1953-62, pres., 1962-64; dean Blackburk Coll., Carlinville, Ill., 1964-65, pres., 1965-; mem. nexus comm. U.I. Ch. U.S.A.; mem. Ill. Commn. for Pvt. Edn. Trustee Lincoln Academy of Ill. Mein. Organized Res. Corps, U.S. Army. Hon. maj. Brit. Roy. Edn. Corp. Mem. Am. Council Assn., Higher Edn. Assn., Asso. Coll. Ill. Mil. Order World Wars, Am. Ednl. Research Assn., N.E.A., Am. Assn. U. Profs., Internat. Platform Assn., Phi Gamma Mu, Alpha Phi Gamma, Phi Delta Kappa, Mason, Rotarian, Decorated: Army Commendation ribbon, Presdl. Unit Citation, Author articles in prof. jous; contrb. to Nat. Parent-Teacher Mag., Bull. of Nat. Assn. Secondary Sch. Prins. Author: Train of Thought (monthly pub. Hynde, 501 Collier, Av. Carlinville, Ill. 62626.

**MCCONAHEY, WILLIAM MCCONNELL**, physician, educator; b. Pitts., May 7, 1916; s. William McConnell and Charlotte Maue (Hixson) McC.; A.B., Washington and Jefferson Coll., 1938; M.D., Harvard, 1942; M.S., U. Minn., 1948; m. Adrienne Parsons Magness, June 15, 1940; children—William McConnell, Meredith Adrienne Peter Magness. Resident internal medicine Mayo Clinic, 1942-4; asst. to staff Mayo Clinic, 1949, niem, staff internal medicine and endocrinology, 1949—; cons. internal medicine St. Mary's, Rochester Methodist hosp., 1949—; chmn. dept. endocrinology Mayo Clinic, 1967—; prof. medicine Mayo Grad. Sch. Medicine U. Minn., 1966—. Active local Boy Scouts Am. Served with M.C., AUS, 1943-45; no Col. rec. Decorated Silver Star, Bronze Star, Fellow A.C.P.; mer. Am. Thyroid Assn., Endocrine Soc., Am. Diabetes Assn., Am. Fed. Clin. Investigation, A.A.S.A., Minn. Soc. Internal Medicine, S. Minn. Med. Assn., Central Soc. Clin. Research, Zumbro Valley Med. Soc., Phi Beta Kappa, Sigma Xi. Author articles in field. *Honors* 11, 6th St SW Rochester MN 55901

McCONATHY, OSBOURNE WILLIAM, musician; b. Chelsea, Mass., May 17, 1903; s. Osbourne and Alice (Brown) McC.; B.S. N.Y. U., 1933; student Juillard Sch. Music, 1935-38; m. Mary Francis Kaveney, Sept. 4, 1938, children—Osbourne William, Alice Marie Rita Louisa, James Stewart. Played first horn with Nat. Symphony Orch., Washington, 1933-43, Rochester (N.Y.) Philharmonic and Civic orchs., 1943-44, played horn Boston Symphony Orch., 1944-66, conductor Boston Opera, 1957—, Am. Nat. Opera Co., 1967—; tel. Francis horn Boston U., also Boston Conservatory, 1948-67. Home 21 Aberdeen St. Newton Highlands MA 02121. Office: Symphony Hall Boston MA 02115.

MCCONAUGHY, CHARLES WALLACE, lawyer; b. Holdrege, Neb., July 7, 1896, s. Charles W. and Ella (Wallace) McC; B. Purdue U., 1919, LL.B., Harvard, 1922, m. Dorothea Waring, June 1, 1924; 1 dau., Jane (Mrs. Anthony Labrum). Admitted to N.Y. b. 1931, since practiced in N.Y. C., asso. with firm Swanson, Thatcher & Co., 1933-34, now with firm Goldfarb, W. & L., New York C.

(Sampey) McC., Bachelor of Arts, Birmingham-Southern Coll., 1924.  
 Doctor of Laws (honorary), 1962; grad. student Duke, 1939, n.  
 Dorothy Davis, June 28, 1937; children—Patricia, Mary Dyer.  
 Techr. Pike Co. High Sch., Brundridge, Ala., 1928-30; Ala. Col-  
 lege summer sch., Montevallo, 1929, appd. career fin. service officer,  
 U.S. consular office Tampico, Mex., 1931-32; Kobe, Japan, 1931-32;  
 Osaka, Japan, 1938-40, 2d sec. Am. Embassy, Peiping, China,  
 1940-42; Tokyo, Japan, 1942-44; 1st sec. Am. Embassy, Peiping,  
 China, 1944-45; 1st sec. Am. Embassy, Peking, China, 1945-47;  
 1st sec. Am. Embassy, La Paz, Bolivia, 1947-48; 1st sec. Am. Embassy, Rio de  
 Janeiro, Brazil, 1948-49; assigned Nat. War Coll., Washington,  
 1949-50; consul, later consul gen., Shanghai, China, 1950-52; re-  
 leased last Am. fgn. service post in China, Apr. 1950, following Com.mun.st  
 occupation China mainland, 1949; consul gen., Hong Kong, 1950-52;  
 dir. Office Chinese Affairs, Dept. State, 1952-57; ambassador to  
 Burma, 1957-59; Korea, 59-61; asst. sec. of state for Far Eastern  
 affairs, 1961-62; ambassador to Pakistan, 1962-66; ambassador to  
 Republic of China, 1966—. Methodist, Clubs: Metropolitan  
 (Washington). Address: Am Embassy Taipei Taiwan Republic of  
 China

**MCCONCHIE, JOHN LEWIS**, ret. mfg. co. exec.; b. Manson, Mass., Mar. 15, 1908; s. George Hamilton and Mary (Mathiesen) McC.; B.S., U. Mass., 1936; grad. Advanced Mgmt. Program, Harvard, 1962; m. Sally Fowler, Dec. 23, 1939; children—Edward F., John Lewis, James H. With Kendall Co., Boston, 1936—, successively salesman, dist. mgr., b. mgr., sales mgr., 1936-53, dir. sales, 1953-54, v.p. sales, 1950-77, v.p., 1967, exec. v.p., 1968, pres., 1968-70, chief exec. officer, 1969-70, also dir. dir. First Nat. Bank, Boston, Mass. Speaker, seminar leader Am. Mgmt. Assn., 1950-52. Active in Nat. A.R.C., United Fund, Community Chest, Mem. Boston C. of C., Nat. Assn. Finishers of Textile Fabrics, Weavers Club, Newcomen Soc., N. Am. Mason. Clubs; Algonquin; Chicago. Home: 51 Monadnock Rd Wellesley Hills MA 02181

MCCONE, ALAN, business exec.; b. Phila., Pa., Sept. 7, 1908; s. H. E. and Ida (Thomas) McC.; student Northwestern U., 1925-26. Stanford, 1926-29; m. Virginia Green, Nov. 2, 1929; children—Alan, Deborah Louise. Engaged in investment banking, 1929-40; asst. supt. Sun Oil Co., 1940-46; with Catalytic Constrn. Co., 1946-61. dept. to pres. for labor, sales and indsl. relations; asst. Sec. for Inst. Dept. U.S.A.F., 1961-64; sr. v.p., dir. Day & Zimmerman, Phila., 1964—. Mem. A.n. Inst. Chem. Engrs., Am. Inst. Plant Engrs., Am. Ordnance Assn. Clubs: Stanford (pres. 1930), Exchange (pres. 1947) (Phila.); Pa. Athletic (pres. 1971); University (Washington); Merion (Pa.) Golf. Author articles. Home: Rittenhouse Claridge Philadelphia PA 19103 Office: 1700 Sansom St Philadelphia PA 19103

McCONE, JOHN A., business exec.; b. San Francisco, Jan. 4, 1902; s. Alexander J. and Margaret (Enright) McC.; student engring. U. Cal.; m. Rosemary Cooper, June 21, 1938 (dec. Dec. 1961); m. 2d: Theiline Pigott, Aug. 29, 1962. Constrn. engr. Llewellyn Iron Works; supt. Consol. Steel Corp., 1929, exec. v.p., dir., 1933-37; pres. organizer Reichtel-McCone Corp., engrs., Los Angeles, 1937-45 pres., dir. Cal. Shipbild. Corp., 1941-46; pres., dir. Joshua Hendy Corp., 1945-58, chmn., 1958-69; chmn. Hendry Internat. Co., 1958-; pres., dir. Joshua Hendy Iron Works, 1945-58; dir. Pacific Mut. Life Ins. Co., United Cal. Bank, Standard Oil of Cal., Western Bancorp., Internat. Tel. & Tel. Corp. Mem. President's Air Policy Comm'n., 1947-48; dep. to Sec. of Def. 1948; under sec. USAF, 1950-51; chmn., U.S. AEC, 1958-60; dir. CIA, 1961-65. Mem. Phi Kappa Sigma Clubs: California, Los Angeles Country (Los Angeles); Pacific Union, Bohemian (San Francisco); Burning Tree, Metropolitan, Chevy Chase Country (Washington); The Links, Blind Brook (N.Y.C.); Cypress Point (Pebble Beach). Home: 1100 Oak Grove Av San Marino CA 91108 also The Highlands Seattle WA 98177 Office: 612 S Flower St. Los Angeles CA 90017.

**MCCONEGHEY, HAROLD GLENN**, gov't. ofcl.: b. Newton, Ia., Apr. 30, 1920; s. Herbert Wayne and Nellie Marie (Doerfler) McC.; student la. State Tchrs. Coll., 1939-42; Corned U., 1949-50; s. la., 1950-51; m. Lois Louise Baldwin, Aug. 29, 1943; children--Nellie Ruth, David Baldwin, Kevin Woodward, Fingerprint analyst and classifier FBI, 1943; code clk. OWI, 1943-44, program anal. st. 1944-45; vice consul Dept. State, 1945-49; pub. affairs officer, Taiwan 1951-56; pub. affairs officer, Canberra, Australia, 1957-60; policy officer Office Asst. Dir., USIA, 1960-65; dep. pub. affairs off. ef. Manila, P.I., 1965-68; pub. affairs officer, Rangoon, Burma, 1969-71. Mem. Am. Fgn. Service Assn. Methodist Club. DADR (Washington). Home: USIS Am Embassy APO San Francisco CA 96306 Office: Am Embassy Rangoon Burma

MCCONNIE, FRANCIS MORAN, bank exec.; b. Cedarhurst, N. Y., Aug. 7, 1904; s. Malcolm S. and Eleanor B. (Moran) McC.; grad. St. Paul's Sch., Concord, N.H., 1922; A.B., Princeton, 1926; m. Marguerite Hagner, Jan. 14, 1938; children—Eleanor M., Michael; Peter S. Bldg. constr., Washington, 1926-32; sales mgr. William Corcoran Hill Co., realtors, Washington, 1932-34; land appraiser Fed Emergency Adminstrn. Pub. Works, Washington, 1934-36; exec. v.p. Randall H. Hagner & Co., realtors, Washington, 1936-56; spl. asst. to the Pres. of U.S., Washington, 1956; commr. Pub. Bldg. Serv. Gen. Service Adminstrn., 1956-69; chmn. bd. dirs. Potomac Nat. Bank (Md.), 1960—, pres., 1962—, Past chmn. adv. com. Nat. Capital Transp. Agcy. Mem. commn. on Govt. Security, 1957-58. Past mbr. Citizens Zoning Adv. Com.; mem. alumni council Princeton U.; asst. dir. Montgomery Country (Md.) chpt. A.R.C.; Hosp. Council v. Washington Group Hospitalization, Inc., Washington; Past chn. Republican Finance Com. Montgomery County, Past dir. and Pres. Emergency Hosp., Washington; past trustee, chmn. bd. Landon Ch. or Boys (Served as capt. F.A., U.S. Army, 1927-40. Mem. Nat. An. Real Estate Bds. (past regional v.p.), Washington Real Estate Bd., 1951-55). Clubs: Chevy Chase, Georgetown (past pres.), Metropolitan, 1951-55 Press (Washington); Home: 11501 Piney Meetinghouse Rd Potomac MD 20854 Office: Potomac National Bank Potomac MD 20853

**MCCKEY, DALE DURANT**, business exec., b. Washington, D.C., Mar. 10, 1928; s. Edwin O. and Ora (Himrich) McC., "S. N.Y. U., 1951, M.B.A., 1953; m. Eleanor A. Intocce, Sept. 4, 1948; children—Dale D., Lori L., Dean E., Todd E. Mgr. Srvc. Newspapers, Inc., Chillicothe, O., 1940-45; examiner N.Y. 1948-50; personnel mgr., Am. Sugar Refining Co., 1952-55; mfr. relations Beech-Nut Life Savers, Inc. (Merger Beech-Nut Life Savers Corp. and Life Savers Corp.), Canajoharie, N.Y., 1955-56; dir. mfr. relations, 1956-59, v.p., 1959-60; v.p. United Fruit Co., 1960-62; asst. to pres. and v.p. admnstr., 1962-66; group v.p., 1966-68; v.p. Dale D. McConkey Assoc., Norwood, Mass., 1968-; dir. A & W Root Beer Co., J. Hungerford Smith Co., A & W Drive-Ins of Can., Jaskin-Robbins 31 Ice Cream Co.; dir. House, Inc., Tropical Radio Telegraph Co.; instr. indst. relations Eastern U. P., 1952, lectr. indst. relations Bklyn. Coll., 1952 Mem. Governor's Bus. Assistance Com. N.Y., Trustee Amsterdam (N.Y.) City Hosp. mem. alumni adv. N.Y. U. Served with S.A.A.F. World War II; to Inst. USAF.

Mr. Cleveland

6-26-73

O. E. Coleman

SPECIAL INQUIRIES  
THE WHITE HOUSE

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DPW

432859

The White House has today requested investigations of the following individuals who are being considered for Presidential appointments, positions not indicated:

John Sherman Cooper - former United States Senator from Kentucky, currently serving as counsel with the law firm of Covington and Burling, Washington, D. C.

Gordon Llewellyn Allott - former United States Senator from Colorado

John Alex McCone - former Director of the Central Intelligence Agency (1961-1965)

No prior investigation has been conducted by the Bureau concerning Senator Allott.

At the request of The White House, we conducted an applicant-type investigation concerning Senator Cooper in 1954. The investigation was favorable. In 1947 a favorable applicant-type investigation was conducted concerning Mr. McCone, and this investigation has been brought up to date on four subsequent occasions, the latest being in 1961. The White House is in possession of the results of the investigations concerning these individuals. The Bureau has had cordial relations with Senators Cooper and Allott and Mr. McCone in the past. (77-65481, 161-1709, 77-40957)

ACTION: The requested investigations have been ordered separately to the field. The respective SACs have been instructed to advise Senators Cooper and Allott and Mr. McCone the Bureau has been requested to conduct the investigation, but not to indicate the request emanated from The White House. The field has also been instructed to conduct no neighborhood investigation without prior Bureau approval. You will be advised of any pertinent developments.

1 - Mr. Cleveland

(1) - Mr. Auerswald

OJA:vsb

(4)

432859

161-1709-83

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 26 1973

TELETYPE

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
| Mr. Gehtardt     | _____ |
| Mr. Jenkins      | _____ |
| Mr. Marshall     | _____ |
| Mr. Miller, E.S. | _____ |
| Mr. Soyars       | _____ |
| Mr. Thompson     | _____ |
| Mr. Walters      | _____ |
| Tele. Room       | _____ |
| Mr. Baise        | _____ |
| Mr. Barnes       | _____ |
| Mr. Bowers       | _____ |
| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Min. 2       | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR 006 SE PLAIN

621PM NITEL 6-26-73 MMB

TO ACTING DIRECTOR (161-1709)

WFO (77-26669)

FROM SEATTLE (161-119) (P) 1P

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED 7-3-73 WITHOUT  
FAIL.

RE BUREAU TELETYPE TO WFO, 6-26-73.

INQUIRY BY SEATTLE ASCERTAINED U.S. SENATORS HENRY M.  
JACKSON AND WARREN G. MAGNUSON ARE BOTH IN THEIR WASHINGTON,  
D.C. OFFICES.

WFO, INTERVIEW JACKSON AND MAGNUSON.

SPIN.

END.

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MSI FBIHQ ACK 2 CLR

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
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161-1709-84  
NOT RECORDED

9 AUG 15 1973

80 AUG 23 1973

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FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 28 1973

NR011 SE PLAIN

10:55 PM NITEL 6/27/73 DCA

TELETYPE

TO DIRECTOR, FBI (161-1709)

FROM SEATTLE (161-119) (P) 4P

JOHN ALEX MC CONE, SPECIAL INQUIRY.

RE BUREAU TEL TO WFO, 6/26/73.

FOLLOWING INVESTIGATION HAS BEEN CONDUCTED:

SATISFACTORY CREDIT AND NO ARREST RECORD LOCATED FOR APPOINTEE AND WIFE AT SEATTLE.

"SEATTLE TIMES" NEWSPAPER LIBRARY CONTAINS NUMEROUS CLIPPINGS FROM APPROXIMATELY 1950 WITH OUT-OF-STATE DATELINES PERTAINING TO VARIOUS PRESIDENTIAL APPOINTMENTS OF MC CONE AND ARTICLES CONCERNING HIM WHEN HE WAS ON ATOMIC ENERGY COMMISSION AND DIRECTOR OF CIA. FOLLOWING CLIPPINGS FROM THAT PAPER WITH SEATTLE DATELINE SUMMARIZED BY DATE OF PAPER:

8/29/62 - MC CONE AND MRS. PAUL PIGOTT MARRIED THAT DATE IN SEATTLE, SHE MAINTAINED HER FORMER HOME IN THE HIGHLANDS, SEATTLE. FOLLOWING THE MARRIAGE, HOME TO BE USED FOR ENTERTAINING GROUPS. AFTER EUROPEAN VACATION WOULD RESIDE WASHINGTON, D.C.

6/27/73 - MR. AND MRS. MC CONE, WHO HAD MOVED FROM WASHINGTON  
END PAGE ONE

ALL INFORMATION CONTAINED

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DATE 3-22-02 BY SP4 BJA/DFW

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
| Mr. Gebhardt     | _____ |
| Mr. Jenkins      | _____ |
| Mr. Marshall     | _____ |
| Mr. Miller, E.S. | _____ |
| Mr. Soyars       | _____ |
| Mr. Thompson     | _____ |
| Mr. Walters      | _____ |
| Tele. Room       | _____ |
| Mr. Boase        | _____ |
| Mr. Barnes       | _____ |
| Mr. Bowers       | _____ |
| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

Mr. Coleman  
Room 1246

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9 AUG 15 1973

170 AUG 23 1973

9-2

PAGE TWO

SE 161-119

TON, D. C., TO SAN MARINO, CALIFORNIA, WERE EXPECTED IN SEATTLE FOR TWO-WEEK VACATION, PART OF WHICH TO BE SPENT CRUISING.

12/12/65 - MR. AND MRS. MC CONE EXPECTED IN SEATTLE FOR CHRISTMAS HOLIDAYS TO SPEND WITH HER CHILDREN AND GRAND-CHILDREN AND APPEARANCE AT CHRISTMAS BALL AT OLYMPIC HOTEL, SHE BEING MEMBER OF HOSTESS COMMITTEE OF BALL.

1/17/66 - MC CONE NAMED TO INTERNATIONAL TELEPHONE AND TELEGRAPH CORP BOARD OF DIRECTORS.

4/21/67 - MORE THAN 150 SEATTLE OPERA ASSOCIATION PATRONS DINED AND DANCED AT FORMAL DINNER PARTY LAST NIGHT AT THE HIGHLANDS HOME OF MR. AND MRS. MC CONE, WHO WERE IN THE RECEIVING LINE.

4/24/67 - MC CONE TO BE COMMENCEMENT SPEAKER AND RECEIVE HONORARY DEGREE FROM SEATTLE UNIVERSITY, 6/4/67, WIFE, THEILINE PIGOTT MC CONE, IS A SEATTLE UNIVERSITY REGENT.

6/4/67 - MC CONE AWARDED HONORARY DOCTORATE OF LAW DEGREE AT SEATTLE UNIVERSITY WHERE HE WAS COMMENCEMENT SPEAKER.

2/1/68 - MC CONE ELECTED TO BOARD OF DIRECTORS OF PACIFIC CAR AND FOUNDRY COMPANY. MC CONE, WHOSE HOME IS IN SAN MARINO,  
END PAGE TWO

PAGE THREE

SE 161-119

CALIFORNIA, JOINS ENLARGED BOARD OF 8, CHARLES M. PIGOTT, PRESIDENT, REPORTED. MC CONE IS CHAIRMAN OF THE JOSHUA HENDY CORP., A CALIFORNIA INDUSTRIAL FIRM, AND IS DIRECTOR OF CALIFORNIA BANK OF LOS ANGELES, PACIFIC MUTUAL LIFE INSURANCE COMPANY, INDUSTRIAL INDEMNITY COMPANY, UNITED CALIF. BANK, AND STANDARD OIL COMPANY OF CALIFORNIA.

2/23/69 - INVITATIONS SENT TO THOSE CLOSELY ASSOCIATED WITH SEATTLE OPERA ASSOCIATION PAST FIVE YEARS TO DINNER DANCE THURSDAY IN MC CONE - PIGOTT HOME IN THE HIGHLANDS. PARTY WILL CELEBRATE SEATTLE OPERA ASSOCIATION'S 5TH ANNIVERSARY AND WILL HONOR DOROTHY KIRSTEN AND TWO OTHER METROPOLITAN OPERA STARS APPEARING IN THE ASSOCIATION'S PRODUCTION OF "TOSCA" AT OPERA HOUSE. SINCE MISS KIRSTEN IS A LONG-TIME FRIEND, MR. AND MRS. JOHN A. MC CONE WILL BE HERE FROM SAN MARINO, CALIFORNIA, FOR THE PARTY.

7/6/69- THE JOHN A. MC CONES ARRIVED FROM SAN MARINO, IN TIME TO HOST THE TRADITIONAL FAMILY 4TH OF JULY PARTY AT THEIR HOME IN THE HIGHLANDS.

END PAGE THREE

PAGE FOUR

SE 161-119

6/9/71 - MRS. MILTON KATIMS, WIFE OF THE SEATTLE SYMPHONY CONDUCTOR, BROUGHT BACK ENTERTAINING REPORT OF FESTIVITIES SURROUNDING OPENING OF JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS IN WASHINGTON, D.C. ALONG WITH SEVERAL SEATTLE-AREA FOLK WHO TRAVELED EAST FOR GALA PREVIEW, 5/27, MR. AND MRS. KATIMS WERE GUESTS AT THREE-PARTY DINNER GIVEN BY MR. AND MRS. JOHN MC CONE OF SAN MARINO, CALIFORNIA, AND SEATTLE, AT THE POSH CITY TAVERN CLUB IN GEORGETOWN. MRS. MC CONE WHOSE HUSBAND ONCE HEADED THE CIA, WAS WEST COAST CHAIRMAN OF THE GALA, AND HER DAUGHTER, MRS. T. EVANS WYCKOFF OF SEATTLE WAS WASHINGTON STATE CHAIRMAN. MRS. KATIMS REPORTED THAT THE STARRING GUESTS AT THE MC CONE DINNER WERE MAMIE, DAVID, AND JULIE EISENHOWER, AND MARTHA MITCHELL.

INVESTIGATION CONTINUING.

E N D

JPS FBIHQ CLR

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 28 1973

TELETYPE

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| Mr. Felt        | _____ |
| Mr. Baker       | _____ |
| Mr. Callahan    | _____ |
| Mr. Cleveland   | _____ |
| Mr. Conrad      | _____ |
| Mr. Galt        | _____ |
| Mr. Jenkins     | _____ |
| Mr. Marshall    | _____ |
| Mr. Miller, ES. | _____ |
| Mr. Roberts     | _____ |
| Mr. Thompson    | _____ |
| Mr. Walters     | _____ |
| Tele. Room      | _____ |
| Mr. Egan        | _____ |
| Mr. Burns       | _____ |
| Mr. Callahan    | _____ |
| Mr. Connelley   | _____ |
| Mr. Felt        | _____ |
| Mr. Galt        | _____ |
| Mr. Rosen       | _____ |
| Mr. Sullivan    | _____ |
| Mr. Tavel       | _____ |
| Mr. Trotter     | _____ |
| Tele. Room      | _____ |
| Miss Holmes     | _____ |
| Miss Gandy      | _____ |

NR 002 CV PLAIN

11:55AM URGENT 6-28-73 CLP

TO ACTING DIRECTOR, FBI (161-1709)

NEW YORK (161-799)

FROM CLEVELAND (161-903)

JOHN ALEX MC CONE; SPIN, BUDED 7-3-73, WITHOUT FAIL.

RE LOS ANGELES NITEL TO BUREAU AND NEW YORK, 6-27-73.

MRS. WILMA ECKEL, SECRETARY TO PRESIDENT, OWENS CORNING  
FIBERGLASS (OCF), TOLEDO, OHIO ADVISED 6-28-73, GENERAL  
LAURIS J. NORSTAD CURRENTLY MAINTAINS OFFICES AS DIRECTOR  
OF OCF AT 717-5TH AVENUE, NEW YORK CITY, NEW YORK, 10022,  
TELEPHONE PLAZA 9-3810, PERSONAL SECRETARY-MISS MARY KIND.

NEW YORK, AT NEW YORK CITY, NEW YORK, LOCATE AND  
INTERVIEW BUSINESS ASSOCIATE GENERAL LAURIS J. NORSTAD.

END

MSE

FBIHQ

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ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

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70 AUG 23 1973

161-1709-86  
NOT RECORDED

9 AUG 15 1973

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 28 1973

TELETYPE

ALL INFORMATION CONTAINED

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DATE 3-22-82 BY SP4BJA/DFW

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NR 039 LA PLAIN

956PM NITEL 6-27-73 GLD

TO ACTING DIRECTOR (161-1709)

ALEXANDRIA

BOSTON

CLEVELAND

NEW YORK (161-799)

SEATTLE

SAN FRANCISCO

WASHINGTON FIELD (77-26669)

FROM LOS ANGELES (161-385) (P)

5P

JOHN ALEX MC CONE; SPECIAL INQUIRY, BUDED 7/3/73,  
WITHOUT FAIL.

RE BUREAU TELETYPE TO WASHINGTON FIELD, 6/26/73.

WHITE HOUSE HAS REQUESTED VERY EXPEDITE INVESTIGATION  
OF MC CONE, WHO IS BEING CONSIDERED FOR PRESIDENTIAL  
APPOINTMENT, POSITION NOT STATED. MC CONE WAS FORMERLY  
DIRECTOR OF CENTRAL INTELLIGENCE AGENCY (CIA) 1961 TO  
1965. BORN 1/4/02, SAN FRANCISCO, CALIFORNIA, AND CURRENTLY  
RESIDES IN SAN MARINO, CALIFORNIA.

MISS BETTY BOTHE, APPOINTEE'S SECRETARY, FURNISHED  
FOLLOWING INFORMATION THIS DATE: IN APPOINTEE'S ABSENCE.

APPOINTEE IS AWARE INVESTIGATION IS BEING CONDUCTED.  
END PAGE ONE

Mr. Felt \_\_\_\_\_  
Mr. Baker \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Cleveland \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. Gebhardt \_\_\_\_\_  
Mr. Jenkins \_\_\_\_\_  
Mr. Marshall \_\_\_\_\_  
Mr. Miller, E.S. \_\_\_\_\_  
Mr. Soyars \_\_\_\_\_  
Mr. Thompson \_\_\_\_\_  
Mr. Walters \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Baise \_\_\_\_\_  
Mr. Barnes \_\_\_\_\_  
Mr. Bowers \_\_\_\_\_  
Mr. Herington \_\_\_\_\_  
Mr. Conmy \_\_\_\_\_  
Mr. Mintz \_\_\_\_\_  
Mr. Eardley \_\_\_\_\_  
Mrs. Hogan \_\_\_\_\_

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Mr. Coleman  
1246

Arfswald

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161-1709-87  
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9 AUG 15 1973

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80 AUG 23 1973 369

PAGE TWO

LA 161-385

EMPLOYMENT: 1961 TO 1965, DIRECTOR, CIA, WASHINGTON,  
D. C; 1965 TO SEPTEMBER 30, 1972 CHAIRMAN OF BOARD  
OF HENDY INTERNATIONAL CORPORATION (HIC), LOS ANGELES;  
SEPTEMBER 30, 1972 TO PRESENT, CONSULTANT TO BOARD  
OF HIC, WHICH IS NOW DIVISION OF KAISER ALUMINUM AND  
CHEMICAL CORPORATION, OAKLAND, CALIFORNIA. APPOINTEE  
ALSO MEMBER OF BOARD OF DIRECTORS OF FOLLOWING CORPORATIONS:  
INTERNATIONAL TELEPHONE AND TELEGRAPH (ITT), NEW  
YORK, NEW YORK; STANDARD OIL OF CALIFORNIA, SAN FRANCISCO,  
CALIFORNIA; UNITED CALIFORNIA BANK! LOS ANGELES, CALIFORNIA;  
WESTERN BANK CORPORATION, LOS ANGELES, CALIFORNIA; PACIFIC  
MUTUAL LIFE INSURANCE COMPANY, LOS ANGELES, CALIFORNIA;  
AND PACCAR, INC., SEATTLE, WASHINGTON.

RELATIVES: APPOINTEE'S FIRST WIFE, ROSEMARY COOPER, DIED  
IN DECEMBER, 1961. APPOINTEE MARRIED PRESENT WIFE,  
THEILINE PIGOTT, IN AUGUST, 1962. APPOINTEE HAS NO BROTHERS.  
TWO SISTERS, MRS. MARGARET AICHER, A WIDOW RESIDING  
AT 670 WESTBRIDGE, PASADENA, CALIFORNIA, AND MRS. MARY LOUISE  
END PAGE TWO

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PAGE THREE

LA 161-385

(DR. DONALD C.) SHELBY, 11922 SALT AIR TERRACE, LOS ANGELES, CALIFORNIA. A THIRD SISTER, ALICIA JOSEPHINE MC CONE, FORMERLY OF 3205 POLK STREET, ARLINGTON, CALIFORNIA, IS DECEASED.

LA

APPOINTEE HAD NO CHILDREN BY FIRST WIFE ROSEMARY. HIS SECOND WIFE HAD SIX CHILDREN BY HER FIRST HUSBAND AS FOLLOWS:

PAUL PIGOTT, JR., DECEASED; CHARLES (YVONNE) PIGOTT, 8723 OVERLAKE DRIVE, BELLEVUE, WASHINGTON; JAMES C. (GAYE) PIGOTT, 1603 EVERGREEN POINT ROAD, BELLEVUE, WASHINGTON; MRS. ANN PIGOTT (T. EVANS) WYCKOFF, THE HIGHLANDS, SEATTLE, WASHINGTON; MRS. THEILINE PIGOTT (HOWARD S.) WRIGHT, 12666 REDMOND-WOODINVILLE ROAD, REDMOND, WASHINGTON; AND MRS. MARY ELLEN PIGOTT (L. PATRICK) HUGHES, 8865 OVERLAKE DRIVE, BELLEVUE, WASHINGTON.

SE

SF



REFERENCES: OTTO MILLER, CHAIRMAN OF BOARD, STANDARD OIL OF CALIFORNIA, SAN FRANCISCO; EDGAR KAISER, CHAIRMAN OF BOARD, KAISER ALUMINUM AND CHEMICAL CORPORATION, OAKLAND, CALIFORNIA; ASA CALL, PACIFIC MUTUAL LIFE INSURANCE COMPANY, LOS ANGELES, CALIFORNIA.

SF



LA

BUSINESS AND SOCIAL ACQUAINTANCES: CHARLES PIGOTT  
END PAGE THREE

PAGE FOUR

LA 161-385

(STEPSON), PRESIDENT OF PACCAR, INC., SEATTLE, WASHINGTON;  
FREDERICK CHURCH, PARTNER IN BOIT, DALTON AND CHURCH, BOSTON,  
MASSACHUSETTS; SENATOR STUART SYMINGTON, WASHINGTON, D. C.;  
JOSEPH ALSOP, COLUMNIST, WASHINGTON, D. C.; CHARLES J. V.  
MURPHY, WRITER FOR TIME, INC., RESIDING AT 1698 32ND STREET,  
NORTHWEST, WASHINGTON, D. C.; WILLIAM ROGERS, SECRETARY OF  
STATE, WASHINGTON, D. C.; GENERAL LAURIS J. NORSTAD, PRESI-  
DENT, OWENS CORNING FIBERGLASS, INC., TOLEDO, OHIO; DAVID  
PACKARD, HEWLETT, PACKARD, INC., PALO ALTO, CALIFORNIA;  
ROBERT BRIDGES, PARTNER IN THELEN, MARRIN, JOHNSON, AND  
BRIDGES, SAN FRANCISCO, CALIFORNIA; JUAN TRIPPE, PAN  
AMERICAN AIRLINES, NEW YORK CITY; HAROLD GINEEN, CHAIRMAN  
OF BOARD, ITT, NEW YORK CITY.

ALL OFFICES HANDLE INDICATED LEADS.

MISS BOTHE STATED SHE HAS WORKED FOR APPOINTEE AS HIS  
PERSONAL SECRETARY FROM JANUARY, 1969, TO PRESENT TIME.  
SHE WAS FORMERLY SECRETARY TO PRESIDENT OF HIC, WHO IS  
NOW DEAD, AND SHE KNEW APPOINTEE WELL FOR TEN YEARS PRIOR  
TO TIME SHE BECAME HIS SECRETARY. SHE EXPRESSED HIGHEST  
REGARD FOR HIS CHARACTER, INTEGRITY, REPUTATION, MORAL,  
BUSINESS, AND SOCIAL ETHICS. SHE SAID APPOINTEE HAS RECEIVED  
END PAGE FOUR

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PAGE FIVE

LA 161-385

NUMEROUS AWARDS FOR HIS PUBLIC ACCOMPLISHMENTS. AS A MEMBER OF BOARD OF DIRECTORS OF ITT, HE TESTIFIED BEFORE THE CHURCH COMMITTEE IN WASHINGTON, D. C. INVESTIGATING THE ITT SCANDAL BUT WAS ABSOLVED OF ANY WRONGDOING. LOYALTY TO UNITED STATES UNQUESTIONED AND RECOMMENDS WITHOUT RESERVATION.

DUE TO URGENT NATURE OF REQUEST, IT IS IMPERATIVE BUDED BE MET WITHOUT FAIL. NO DELAY WILL BE TOLERATED.

INVESTIGATION CONTINUING AT LOS ANGELES.

SPIN.

END

FBIHQ RDR

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FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 28 1973

TELETYPE

NR003BS PLAIN

5/35PM NITEL 6/28/73 REC

TO ACTING DIRECTOR (161-1709)  
FROM BOSTON (161-669) (RUC)

JOHN ALEX MC CONE; SPIN; BUDED: 7/3/73 WITHOUT FAIL.

RE LOS ANGELES NITEL TO BUREAU DATED 6/27/73.

CLOSE ASSOCIATE: ON 6/28/73, FREDERICK CHURCH, SR.,  
BEVERLY FARMS, BEVERLY, MASS., WAS INTERVIEWED AT THE  
LILCOLN-FILENE'S CENTER, TUFTS UNIVERSITY, MEDFORD,  
MASS., AND PROVIDED THE FOLLOWING INFORMATION.

CHURCH HAS KNOWN APPOINTEE SINCE THE MID NINETEEN  
FORTIES AND CONSIDERS HIM TO BE A VERY CLOSE PERSONAL  
FRIEND. CHURCH IS ALSO VERY FAMILIAR WITH APPOINTEE'S  
WIFE, AS WELL AS HIS FIRST WIFE WHO IS NOW DECEASED.  
APPOINTEE IS A VERY ABLE INDIVIDUAL AND A VERY NICE GUY,  
WHOSE CHARACTER AND MORALS ARE EXCELLENT. APPOINTEE WAS  
UNQUESTIONABLY A LOYAL AMERICAN CITIZEN AND HAS SERVED  
AS DIRECTOR OF CENTRAL INTELLIGENCE AGENCY AND ATOMIC  
ENERGY COMMISSION. CHURCH STATED THAT HE SEES APPOINTEE  
AS OFTEN AS POSSIBLE AND HAS VACATIONED WITH HIM DURING  
END PAGE ONE

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
| Mr. Gebhardt     | _____ |
| Mr. Jenkins      | _____ |
| Mr. Marshall     | _____ |
| Mr. Miller, E.S. | _____ |
| Mr. Soyars       | _____ |
| Mr. Thompson     | _____ |
| Mr. Walters      | _____ |
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| Mr. Baise        | _____ |
| Mr. Barnes       | _____ |
| Mr. Bowers       | _____ |
| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
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BS 161-669

PAGE TWO

THE PAST TWO WINTERS. HE KNOWS OF NOTHING THAT WOULD PRECLUDE APPOINTEE BEING EMPLOYED BY THE UNITED STATES GOVERNMENT, AND HE ADDED THAT THE U.S. GOVERNMENT WOULD BE EXTREMELY FORTUNATE TO HAVE SOMEONE OF APPOINTEE'S CALIBER. CHURCH STATED HE WOULD RECOMMEND APPOINTEE FOR ANY POSITION WITH THE UNITED STATES GOVERNMENT.  
END

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 23 1973

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| Mr. Barnes       | _____ |
| Mr. Bowers       | _____ |
| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR005 SE PLAIN

5:47 PM NITEL 6/28/73 DCA

TO DIRECTOR, FBI (161-1709)

FROM SEATTLE (161-119) IP

JOHN ALEX MC CONE, SPECIAL INQUIRY.

RE BUREAU TEL TO WFO, 6/26/73.

FOLLOWING INVESTIGATION HAS BEEN CONDUCTED:

CURRENT RESIDENCES OF STEP-CHILDREN VERIFIED, REPUTATIONS EXCEL-  
LENT. NO ARREST RECORDS LOCATED FOR STEP-CHILDREN OR SPOUSES.

INVESTIGATION CONTINUING.

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VAE FBIHQ HOLD

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ALL INFORMATION CONTAINED  
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9 AUG 15 1973

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 28 1973

TELETYPE

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NR 031 LA PLAIN

702 PM NITEL 6/28/73 RWM

TO ACTING DIRECTOR (161-1709)

FROM LOS ANGELES (161-385) (P) 4P.

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
| Mr. Gerhardt     | _____ |
| Mr. Jenkins      | _____ |
| Mr. Marshall     | _____ |
| Mr. Miller, E.S. | _____ |
| Mr. S. G. ...    | _____ |
| Mr. Thompson     | _____ |
| Mr. Walters      | _____ |
| Tele. Room       | _____ |
| Mr. Boice        | _____ |
| Mr. Barnes       | _____ |
| Mr. Egan         | _____ |
| Mr. H. ...       | _____ |
| Mr. Conmy        | _____ |
| Mr. Minz         | _____ |
| Mr. Hardley      | _____ |
| Mrs. Hogan       | _____ |

JOHN ALEX MC CONE, SPIN, BUDED 7/3/73 WITHOUT FAIL.

RE LOS ANGELES TEL TO BUREAU 6/27/73.

EMPLOYMENT - JOSHUA HENDY CORPORATION (JHC) AND HENDY INTERNATIONAL CORPORATION (HIC), 612 SOUTH FLOWER STREET, LOS ANGELES, CALIFORNIA.

JOSEPH M. TESCHER, VICE PRESIDENT IN CHARGE OF ADMINISTRATION, HIC, A SUBSIDIARY OF KAISER ALUMINUM AND CHEMICAL CORPORATION (KAC), 612 SOUTH FLOWER STREET, LOS ANGELES, ADVISED HE MET APPOINTEE IN JANUARY 1946, WHEN HE BECAME CONTROLLER OF JHC. APPOINTEE WAS PRESIDENT OF JHC AT THAT TIME. APPOINTEE WAS ALSO PRESIDENT OF CALIFORNIA SHIP BUILDING COMPANY (CSC). IN 1947, CSC BECAME A PART OF JHC AND IN 1949 JHC BOUGHT A NAVY SHIP OPERATING CONTRACT FROM PACIFIC TANKERS, INC., SOLD ITS ENGINE AND TURBINE MANUFACTURING PLANTS AND WENT INTO THE SHIPPING

END PAGE ONE

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*1XC sent to WFO 6/29/73 and 360*  
180 AUG 23 1973

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DPW  
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NOT RECORDED

9 AUG 15 1973

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LA 161-385

PAGE TWO

BUSINESS WHICH IT HAS CARRIED ~~ON TO THE PRESENT TIME.~~

HIC WAS ORGANIZED IN THE EARLY 1960'S AND THE SHIP  
OPERATING CONTRACTS OF JHC WERE TRANSFERRED TO HIC.

JHC WAS LIQUIDATED IN DECEMBER 1969. THE APPOINTEE WAS  
VARIOUSLY PRESIDENT, CHAIRMAN OF THE BOARD AND PRINCIPAL  
STOCK HOLDER OF JHC AND HIC UNTIL SEPTEMBER 1972, WHEN  
HIC BECAME A SUBSIDIARY OF KAC. APPOINTEE IS NOW A  
CONSULTANT TO THE BOARD OF DIRECTORS OF HIC.

DURING THE TIME APPOINTEE WAS DIRECTOR OF THE  
ATOMIC ENERGY COMMISSION AND THE CENTRAL INTELLIGENCE  
AGENCY HIS INTERESTS IN THE COMPANIES WERE PUT IN TRUST.

TESCHER STATED THAT THE APPOINTEE CURRENTLY IS INVOLVED  
IN A DISPUTE WITH THE INTERNAL REVENUE SERVICE OVER THE  
LIQUIDATION OF JHC. A TAX RETURN PREPARED BY THE FIRM'S  
TAX LAWYERS AND ACCOUNTANTS WAS FILED CONCERNING THAT  
LIQUIDATION AND THE APPOINTEE PAID OVER ONE MILLION DOLLARS  
IN INCOME TAX FOR THAT YEAR. THE INTERNAL REVENUE SERVICE  
HAS CONDUCTED AN INVESTIGATION CONCERNING THE LIQUIDATION  
AND MADE SOME FURTHER TAX ASSESSMENTS AMOUNTING TO ABOUT  
THREE POINT SIX MILLION DOLLARS. MC CONE AND THE COMPANY  
DISPUTE THIS AND HAVE TAKEN THE CASE TO THE APPELLATE DIVISION  
END PAGE TWO

LA 161-385

PAGE THREE

OF THE INTERNAL REVENUE SERVICE OF LOS ANGELES. ABOUT THREE MONTHS AGO THE INTERNAL REVENUE SERVICE AGENT HANDLING THE CASE ADVISED TESCHER THAT INTERNAL REVENUE SERVICE WAS WITHDRAWING THE ASSESSMENTS, AGREED WITH SOME OF THE DEDUCTIONS CLAIMED BY MC CONE, AND WOULD ISSUE NEW ASSESSMENTS. NOTHING FURTHER HAS BEEN HEARD FROM INTERNAL REVENUE SERVICE IN THIS MATTER.

TESCHER STATED THAT APPOINTEE IS THE FINEST MAN HE HAS EVER MET. HE DESCRIBED HIS CHARACTER, INTEGRITY, HONESTY, MORAL STANDARDS, BUSINESS ETHICS AND GENERAL REPUTATION AS OUTSTANDING. HE HAS BEEN VITALLY INTERESTED IN NATIONAL AND COMMUNITY AFFAIRS, HAS INVOLVED HIMSELF WITH NUMEROUS COMMISSIONS AND COMMITTEES DEVOTED TO THE PUBLIC GOOD AND HAS RECEIVED MANY AWARDS FOR HIS ACCOMPLISHMENTS. HIS ASSOCIATES ARE ALL INDIVIDUALS OF EXCELLENT REPUTATION AND HE HAS NEVER BEEN INVOLVED IN ANY SCANDAL OR NOTORIETY. HE IS A VERY ASTUTE AND INTELLIGENT BUSINESSMAN AND THE COMPANIES HE HAS BEEN ASSOCIATED WITH HAVE PROSPERED UNDER HIS DIRECTION. HE IS AN EXTREMELY ABLE ADMINISTRATOR. HIS LOYALTY TO THE UNITED STATES IS UNQUESTIONED AND TESCHER RECOMMENDED HIM WITHOUT RESERVATION FOR ANY POSITION OF TRUST.

END PAGE THREE

LA 161-385

PAGE FOUR

CAPTAIN THEODORE W. ANDERSON, PRESIDENT OF HIC, WHO HAS KNOWN APPOINTEE SINCE 1949 WHEN JHC TOOK OVER THE CONTRACTS FROM PACIFIC TANKERS, INC., WHICH LATER BECAME A DIVISION OF JHC. ~~APPOINTEE~~ <sup>ANDERSON</sup> WAS OFFICER OF PACIFIC TANKERS AND LATER IN 1954 BECAME AN OFFICER IN JHC. HE COMMENTED IN SIMILAR FASHION CONCERNING APPOINTEE.

FREDERICK GRAHAM, CHIEF, APPELLATE DIVISION, INTERNAL REVENUE SERVICE, LOS ANGELES, ADVISED THIS DATE THAT HIS DIVISION CURRENTLY HAS A PENDING CASE CONCERNING APPOINTEE, BUT INTERNAL REVENUE SERVICE REGULATIONS PROHIBIT DISCLOSURE OF ANY INFORMATION CONCERNING THE CASE. HE SAID THAT ANY INFORMATION CONCERNING IT WOULD HAVE TO BE OBTAINED FROM THE COMMISSIONER OF INTERNAL REVENUE IN WASHINGTON, D.C.

THE BUREAU MAY WISH TO CONTACT THE COMMISSIONER OF INTERNAL REVENUE CONCERNING THE ABOVE DISPUTE.

INVESTIGATION CONTINUING AT LOS ANGELES.

SPIN.

END

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to  
WFO

F B I

Date: 6/28/73

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)Via Airtel \_\_\_\_\_  
(Priority)

TO: ACTING DIRECTOR, FBI (161-1709)  
FROM: SAC, NEW YORK (161-799) (P)  
SUBJECT: JOHN ALEX MC CONE  
SPECIAL INQUIRY  
BUDED: 7/3/73

ReButel, 6/26/73.

On 6/28/73, WILLIAM DONOVAN, Assistant Secretary, ITT Corporation, 320 Park Avenue, NY, NY, advised appointee member of Board of Directors since 1966. DONOVAN has seen appointee but not personally acquainted. Stated that any comments concerning appointee would have to be made by HAROLD GINEEN, Chairman of Board, or JOHN P. NAVIN, Vice President and Corporate Secretary.

GINEEN out of country for two weeks and NAVIN not available until next Monday at earliest.

JUAN TRIPPE, Honorary Chairman of Board, Pan American World Airways, Pan Am Building, NY, NY, out of the country until Monday next at earliest.

Comments of NAVIN and TRIPPE will be submitted immediately upon receipt.

1-Bureau  
1-New York

JAT:jas  
(3)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
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17 JUN 30 1973

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Approved: \_\_\_\_\_

Sent \_\_\_\_\_ M Per \_\_\_\_\_

Special Agent in Charge

F B I

Date: 6/29/73

Transmit the following in PLAINTEXT  
(Type in plaintext or code)Via TELETYPE NITEL  
(Priority)TO: SACS, BOSTON  
DENVER

SPRINGFIELD

WFO (77-26669)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIEDDATE 3-22-02 BY SP4 BJA/DFW  
# 432859

FROM: SAC, ALEXANDRIA (161-2146)(P)

JOHN ALEX MC CONE SPI. BUDED: 7/3/73 WOF

REBUTEL TO WFO, 6/26/73.

WHITE HOUSE HAS REQUESTED VERY EXPEDITE INVESTIGATION OF MC CONE WHO IS BEING CONSIDERED FOR PRESIDENTIAL APPOINTMENT, POSITION NOT STATED. MC CONE WAS FORMERLY DIRECTOR OF CENTRAL INTELLIGENCE AGENCY (CIA) 1961 TO 1965. BORN 1/4/02, SAN FRANCISCO, CALIF., AND CURRENTLY RESIDES IN SAN MARINO, CALIF.

INVESTIGATION AT CIA REVEALS FOLLOWING INDIVIDUALS AS FORMER CLOSE ASSOCIATES OF APPOINTEE DURING HIS TENURE THERE: LT. GEN. MARSHALL S. CARTER (USA - RET), 2520 HILL CIRCLE, COLORADO SPRINGS, COLORADO; LYMAN B. KIRKPATRICK, ANAWAN CLIFFS DR., BOX 98, RD #2, NARRAGANSETT, RHODE ISLAND; COL. LAWRENCE K. WHITE (RET), NEW PIASA CHAUTAUQUA, ELSAH, ILL., HIS SUMMER HOME; ROBERT L. BANNERMAN, P.O. BOX 32, SANTA ROSA BEACH, FLA; DEBRONSON TWEEDY, 5310 WOODLAWN TERRACE.

1 - Bureau  
1 - Alexandria  
ERR:asd

Approved: OB  
(2) 623 Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

U.S. Government Printing Office: 1973-555-574

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Date:

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)Via \_\_\_\_\_  
(Priority)

PAGE TWO

KENWOOD, MARYLAND AND SHERMAN KENT, 2824 CHAIN BRIDGE ROAD,  
N.W., WASHINGTON, D.C.

RESPECTIVE OFFICES HANDLE INTERVIEWS.

DUE TO URGENT NATURE OF REQUEST, BUREAU HAS  
INSTRUCTED IT IS IMPERATIVE BUDED BE MET WITHOUT FAIL AND  
NO DELAY WILL BE TOLERATED.

INVESTIGATION CONTUING AT ALEXANDRIA.

MAIL COPY FURNISHED BUREAU. P

Approved: \_\_\_\_\_

Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 29 1973

TELETYPE

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
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| Mr. Jenkins      | _____ |
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| Mr. Miller, E.S. | _____ |
| Mr. Soyars       | _____ |
| Mr. Thompson     | _____ |
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| Mr. Baise        | _____ |
| Mr. Barnes       | _____ |
| Mr. Boz          | _____ |
| Mr. Herndon      | _____ |
| Mr. Conmy        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR005 SE PLAIN

7:28 PM NITEL 6/29/73 DCA

TO DIRECTOR, FBI (161-1709)

FROM SEATTLE (161-119)(P) 4P

*copy*

JOHN ALEX MC CONE, SPECIAL INQUIRY.

RE BUREAU TELETYPE TO WFO, 6/26/73.

FOLLOWING INVESTIGATION HAS BEEN COMPLETED:

MR. MILTON KATIMS, CONDUCTOR, SEATTLE SYMPHONY ORCHESTRA, HAS MET APPOINTEE AND WIFE SOCIALLY AT CULTURAL AND CIVIC AFFAIRS PAST 10 OR 12 YEARS; ALSO MET MRS. ANN WYCKOFF AND MR. AND MRS. HOWARD S. WRIGHT (DAUGHTERS OF MRS. MC CONE); THEY ARE ACTIVE IN CULTURAL AND CIVIC AFFAIRS IN SEATTLE AND ENJOY EXCELLENT REPUTATIONS. KATIMS RECOMMENDED APPOINTEE HIGHLY.

*Mr. Coleman*  
*1246*  
*Arnsfeldt*

WILLIAM M. ALLEN, SR., FORMER CHAIRMAN OF BOARD AND CHIEF EXECUTIVE OFFICER, THE BOEING COMPANY, PRESENTLY SPECIAL CONSULTANT TO THE BOEING COMPANY, RESIDES IN THE HIGHLANDS, SEATTLE, HAS KNOWN MC CONE INTIMATELY FOR 30 YEARS; ALLEN AND MC CONE SERVED TOGETHER ON BOARD OF DIRECTORS OF STANDARD OIL COMPANY; ALLEN DESCRIBED MC CONE AS VERY CAPABLE, HONEST, HIGH PRINCIPLED, LOYAL AND DEDICATED. ALLEN HAS KNOWN MC CONE'S PRESENT WIFE AND ALL OF HER CHILDREN FOR MANY YEARS;

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9 AUG 15 1973

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ALL ARE PERSONS OF EXCELLENT CHARACTER, REPUTATION, LOYALTY AND ASSOCIATES AND ALLEN WOULD GIVE MC CONE HIGHEST RECOMMENDATION.

WOOLVIN PATTON, SEATTLE ATTORNEY, HAS MET MC CONE AND WIFE SOCIALLY PAST 10 YEARS AND HAS BEEN VERY FAVORABLY IMPRESSED; HAS NEVER HEARD OR OBSERVED ANYTHING THAT WOULD REFLECT ADVERSELY ON THEIR CHARACTER, ASSOCIATIONS, REPUTATION OR LOYALTY; PATTON KNEW THE PIGOTT DAUGHTERS TO A LESSER EXTENT BUT STATED THEY HAVE EXCELLENT REPUTATIONS; RECOMMENDED MC CONE FAVORABLY.

A. STEWART BALLINGER, OWNER AND MANAGER OF BELLEVUE EASTSIDE RADIO LIMITED, HAS RESIDED IN THE HIGHLANDS, SEATTLE, ALL HIS LIFE; BALLINGER HAS BEEN A CLOSE FRIEND OF MC CONE FOR MANY YEARS AND MET APPOINTEE ABOUT 10 YEARS AGO AND HAS VISITED HIM SOCIALLY FREQUENTLY SINCE THAT TIME; BALLINGER HAS HAD CLOSE ASSOCIATION WITH ALL THE PIGOTT CHILDREN OVER THE YEARS AND SPEAKS HIGHLY OF ALL OF THEM; BALLINGER HAS VERY HIGH REGARD FOR MC CONE AND RECOMMENDED HIM FAVORABLY FOR PRESIDENTIAL APPOINTMENT.

PAUL S. FRIEDLANDER, OWNER, FRIEDLANDER AND SONS JEWELERS, PRESIDENT OF PORT OF SEATTLE, PATRON OF THE ARTS, VISITED WITH THE MC CONES IN WASHINGTON, D.C., WHEN MC CONE WAS CIA DIRECTOR; HAS  
END PAGE TWO

PAGE THREE

SE 161-119

KNOWN MRS. MC CONE AND HER CHILDREN AND THEIR SPOUSES FOR MANY YEARS; RECOMMENDED ALL HIGHLY WITH REGARD TO CHARACTER, REPUTATION, LOYALTY AND ASSOCIATES; STATED HE COULD ONLY USE SUPERLATIVES IN DESCRIBING MC CONE AND ADDED "THERE ISN'T A FINER MAN IN THE UNITED STATES." GAVE THE VERY HIGHEST RECOMMENDATION AND STATED U. S. GOVERNMENT WOULD BE VERY FORTUNATE TO HAVE HIM.

HAROLD H. HEATH, PRESIDENT, GLASSFORM, INC., CHAIRMAN EMERITUS OF HEATH TECNA CORPORATION, KENT, WASHINGTON, PAST PRESIDENT, SEATTLE OPERA ASSOCIATION, HAS KNOWN MC CONE AND WIFE SOCIALLY ABOUT 3 OR 4 YEARS; HAS KNOWN PIGOTT CHILDREN AND SPOUSES OVER A LONG PERIOD OF TIME SOCIALLY; STATED MC CONES AND CHILDREN ARE HIGHLY INTELLIGENT, MORAL, ETHICAL, RESPONSIBLE, CIVIC-MINDED PATRIOTIC PEOPLE; STATED "IT IS A PLEASURE TO BE ABLE TO RECOMMEND MC CONE FAVORABLY."

DR. WILLIAM A. GUPPY, ACADEMIC VICE PRESIDENT AND ACTING PRESIDENT OF SEATTLE UNIVERSITY, ADVISED LOUIS GUFFNEY, PRESIDENT, SEATTLE UNIVERSITY, IN HOSPITAL CONFINEMENT AND UNAVAILABLE FOR INTERVIEW; GUPPY STATED ANN WYCKOFF, STEP-DAUGHTER OF APPOINTEE, HAS BEEN MEMBER OF SEATTLE UNIVERSITY BOARD OF REGENTS SINCE 1972; MRS.  
END PAGE THREE

PAGE FOUR

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MC CONE WAS MEMBER OF BOARD OF REGENTS, 4/61 - 9/68; GUPPY STATED NOBODY PRESENTLY AT SEATTLE UNIVERSITY IS PERSONALLY ACQUAINTED WITH EITHER MR. OR MRS. MC CONE.

EDGAR A. CARPENTER, ASSISTANT SECRETARY, PACCAR, INC., BELLEVUE, WASHINGTON, ADVISED CHARLES PIGOTT IS PRESIDENT OF PACCAR, INC; MC CONE WAS APPOINTED MEMBER OF BOARD OF DIRECTORS OF PACCAR, INC., IN 1968 AND IS PRESENTLY IN SAME CAPACITY; CARPENTER NOT WELL ACQUAINTED PERSONALLY WITH MC CONE BUT KNOWS HIM BY HIS EXCELLENT REPUTATION; MC CONE VERY HIGHLY REGARDED IN COMPANY AND CARPENTER KNOWS NOTHING ADVERSE CONCERNING HIS CHARACTER, REPUTATION, LOYALTY AND ASSOCIATES; MR. O'BRIEN, THE COMPANY OFFICIAL WHO HAS MOST CONTACT WITH MC CONE OTHER THAN PIGOTT, UNAVAILABLE FOR INTERVIEW.

INVESTIGATION CONTINUING.

E N D

MRF FBI HDQS

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LA 161-385

## U.S. MUST RELY ON 'BIG WAR' ATOM ARSENAL, M'CONE SAYS

BY DON SHANNON

Times Washington Bureau

WASHINGTON, Aug. 2—

The United States must rely on a nuclear arsenal capable of winning a big war, John McCone, Los Angeles shipping executive and former Undersecretary of the Air Force, told an Air Force Association symposium today. "Arguments that our capacity for nuclear retaliation has been stalemated do not impress me," McCone declared. "Neither we nor the Soviets can afford to lay aside weapons of great technological advantage, as doing so would mean an investment of manpower and resources in outmoded forces."

McCone added: /-/-/

"I hope that our strategic policy insofar as its general weight and direction can be measured will concentrate our resources primarily on our capacity to put down a general war. By so doing, we will do two things: first, deter general war, and, secondly, will establish ample capability to win a local war should one be forced upon us."

### Feeling of Allies

Asked by a newsman if he knows the feelings of allied nations toward a U.S. policy of reliance upon nuclear weapons, the speaker said:

"There has been a change since the days when European allies feared such a policy. Now there is general recognition that atomic weap-

ons do not necessarily mean mass destruction but they can be brought down to battlefield size. There is a growing recognition that they must be used."

McCone also called for strengthening the control of the Secretary of Defense over the three services and the installation of a single chief of staff to bring the unification envisioned by the original act.

McCone agreed with a questioner that President Eisenhower, as a popular leader with a military background, must supply the impetus to put such a plan through Congress.

"I do know that in 1947 and 1948 Gen. Eisenhower put forward some of these ideas," the speaker said. "He was in favor of a single chief of staff and tended in the direction of a single service."

Both McCone and Rep. George Mahon (D) Tex., chairman of the House Subcommittee on Defense Appropriations, agreed that the public will not tolerate defense spending above the present level. Mahon also contended that substantial savings must come from cutting out duplication in the Defense Department.

### Missile Review

Both speakers asserted that the basic roles of each of the services must be reassessed if the taxpayers are to be relieved of financing duplicate missiles.

Mahon denied that he believes a tax reduction can be achieved by cutting defense spending.

"My thought is that if there is no dramatic change in the international situation, the level of defense spending for the next few years will be in the area of 35 to 39 billion dollars per year, about the level we now have," the Congressman said. "That sum expended annually ought to provide us with a reasonably adequate defense program but it will not do it unless we take the necessary steps to acquire more in value for the defense dollar."

W. Barton Leach, chairman of Harvard University's defense studies program, scored "shotgun economics" of those who contend that the United States cannot spend more than the present defense budget. Elliot Janeway, president of Janeway Publishing and Research Corp., decried the subordination of defense policy to economic policy.

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**Unemployment Danger**

"The question about the budget is not whether we are going over the debt limit," he said. "The question is whether for the inflation we are involved in, we are getting more or less defense."

Janeway, an economist, contended that the recent refinancing of Treasury bonds at 4% cost the government 4 billion dollars, more than twice the amount saved by the "freeze" on military spending. He contended that the Treasury is figuring its tax income dangerously close to the inflated national income.

"If there is any interruption in employment other than in Southern California, then the pot of soup available to the Secretary of the Treasury is going to be m'less," he warned.

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# Head of Central Intelligence Agency Possesses Great Power

BY DREW PEARSON

Some people may wonder why I have been writing so much about John McCone, now up for Senate confirmation as head of Central Intelligence. They may wonder whether I have a personal grudge against McCone. The fact is I have nothing against McCone personally, don't believe I've ever met him.

But the most important person molding U.S. foreign policy, next to the President, is probably the head of Central Intelligence. The public doesn't realize this, but it's true.

★

The head of CIA can depose kings or presidents, foment revolution, take us close to war. Furthermore, he doesn't have to report to Congress, or even to the General Accounting Office for the money he spends.

His power results from two facts:

1 — He can use money and agents to subvert and undermine a foreign government and nobody in Congress knows about it.

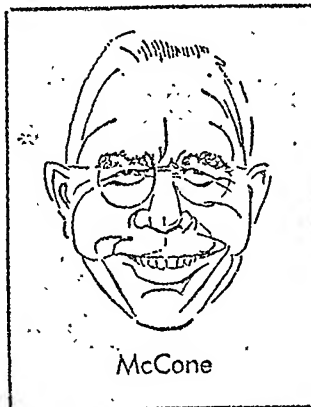
2 — He reports to the President. And the man who reports the facts on a foreign situation to be a certain way has the power to make decisions.

Let's take some examples.

★

The Cuban fiasco: In April, 1961, following the tragic failure at the Bay of Pigs, Secretary of State Rusk informed a seminar of editors in Washington that "the intelligence from Cuba was inaccurate and very poor," while Roger Hilsman Jr., chief of State Department Intelligence, informed a newsmen, "Our information on Cuba was quite different from CIA's but we were not consulted."

In brief, CIA had informed President Kennedy



McCone

that conditions inside Cuba were ripe for revolution, that the Cuban people would rise up to join the freedom fighters.

Mr. Kennedy believed these facts to be accurate and made the wrong decision.

★

Business money behind CIA: After the Bay of Pigs fiasco, I reported that certain U.S. business firms, one of them a big oil company, had put up several hundred thousand dollars to finance the Cuban freedom fighters.

This meant that foreign policy was further divorced from the constitutional channels of government and financed by private corporations with a property stake in Cuba.

However, this is the way CIA operates. Corporation heads are given the privilege of looking through CIA files. Corporation officials abroad influence and co-operate with CIA agents.

Operations in Spain: After Prof. Jesus de Galindez was kidnapped from New York in 1956, Allen Dulles phoned Dist. Atty. Frank Hogan in New York, asking that a CIA agent be permitted to look over the Galindez papers. It then became known that CIA had put up \$1 million for Galindez to operate a Basque network in Spain.

The Basques hate Franco, so this network could only have worked against Franco, who has given the United States military bases.

★

The State Department knew nothing about this. Operations in Costa Rica: In 1953-54, President Figueres of Costa Rica discovered that a CIA agent was tapping his telephone. The agent was caught.

Figueres was probably the most pro-American of the Central American presidents, and the discovery of a phone tap didn't help our relations.

This is a cross-section of the amazing network of intelligence and espionage operations which will come under the man who heads CIA and who, because of his power, must be examined for conflicts of interest and other qualifications.

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DREW PEARSON

## McCone Did Top-Notch CIA Job

It never hurts a newspaperman — or, I guess, anyone else for that matter—to confess that he has made a mistake. I want to make such a confession regarding a man whose confirmation I vigorously opposed as chief of central intelligence — John McCone.

It is my opinion today McCone has done an efficient, self-effacing, democratic job of directing one of the most sensitive and difficult branches of government, the so-called spy agency of the United States.

This kind of job has to be self-effacing. It also requires a man who has the confidence of the public and of Congress. For unlike the other branches of government which are constantly under scrutiny by the press and congressional committees, CIA gets almost no examination by Congress.

Millions of dollars may be spent in certain countries to combat Communist subversion with no one knowing about it except a handful of executives. Other millions are spent studying maps, newspapers, educational reports of sensitive areas of the world.

Under these difficult circumstances John McCone has done a good job, and I am happy to say so and congratulate him, as he now leaves public office.

The old-time medicine man who peddled snake oil and root juices was a piker compared with the swindlers who fleece old people out of millions of dollars a year in fake health cures. This is the conclusion of Sen. Harrison Williams (D-N.J.), chairman of a Senate subcommittee which has been probing quackery.

"Today's high-pressure quacks and health fraud promoters do not regard customers as buyers to be served, but as pigeons to be plucked," Williams warns.

"It is almost impossible," he says, "for law enforcement officers to keep abreast of the tide of mass mailings, the slippery language in television commercials and highly mobile pitchers who infest the fringes of the medical profession and the honest business community."

However, Chairman Paul Rand Dixon of the Federal Trade Commission has announced that he will ask Congress for funds to establish a new office of federal-state cooperation to step up enforcement of anti-trust, anti-deception and consumer-protection laws.

Sen. Williams is drafting a bill to require pre-marketing testing of various health devices.

Defense Secretary Robert McNamara and Rep. Ed Hebert (D-La.) are both concerned with a strong national defense, but seldom agree on anything. Especially they don't agree on McNamara's proposal to merge the Army reserves and the National Guard.

"I think you have defied the law," Hebert charged at one hot session of the House Armed Services Committee. "You have arrogated to yourself powers that I don't believe you have."

The defense chief coolly denied this, saying that Hebert had "completely misquoted" him. The debate got hotter as Hebert suggested in courtly tones: "A man is so foolish, particularly a man of your brilliance and astuteness, to say, 'I am going to give you a fair trial before I hang you.'"

"May we stop the record here!" demanded McNamara. "You didn't use the words 'stay the execution.'"

"Let's not play on words," shrugged Hebert.

"I'm not playing on words."

"All right. You won't stop the action?"

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"No. I don't," shot back McNamara, pointing out that Congress would have to provide funds for the Reserves and the National Guard, thus has the last word. "This is what the lawyers tell me."

"Don't let the lawyers get into it," groaned Hebert.

"Mr. Hebert made some strong statements about the way we handle laws passed by Congress, as to whether we pay attention to the intent of those laws," demurred McNamara. "I think those statements are groundless and do a great disservice."

"Mr. Secretary, I have been making statements long before you came to Washington about the interpretation of laws downtown," replied Hebert. "I don't recognize the laws when they get interpreted. So it is not a question of it beginning with you."

"Well, I am happy to know that, Mr. Hebert," cracked the secretary of defense. "It does relieve me some."

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## PERSONALITY IN THE NEWS

# McCone Accustomed to Hard Assignments

BY DICK MAIN

Times Staff Writer

Taking on challenging jobs is nothing new to John A. McCone, who was asked Thursday by Gov. Brown to head an investigation of Los Angeles riots.

The white-haired, driving 63-year-old industrialist who headed both a shipbuilding company and an aircraft engineering center in World War II, has served four Presidents on special assignments.

McCone told reporters who met him at International Airport after a flight from Washington that he had been notified of his latest job by telephone call.

### 'Anything to Help'

"I told him (Gov. Brown) that I would do anything I could to help him and my community."

His words were reminiscent of his reply in September, 1961, when President John F. Kennedy appointed him as director of the Central Intelligence Agency.

McCone, a Republican who supported Vice President Richard M. Nixon's bid for the Presidency and who had served as head of the Atomic Energy Commission under President Eisenhower, said he was hesitant at first.

But when asked to take the job, he answered simply, "I will do my best."

A native of San Francisco, McCone was graduated from the University of California's College of Engineering in 1922. But the young college graduate didn't look for a white collar job. He went to work as a riveter and boilermaker in Los Angeles.

He advanced to plant superintendent and later, after a merger, became executive vice president and director of Consolidated Steel Corp.

### Became Shipbuilder

Later he headed the Bechtel — McCone Corp., which modified Army Air Force bombers during the war, and the California Shipbuilding Corp. The latter company built 467 ships worth \$1 billion.

His first federal service was on the Air Policy Commission. Later he was appointed Air Force under secretary during the administration of President Harry S. Truman.

McCone resigned as CIA director early this year, but offered to stay on until President Johnson could pick a successor. He had hoped to retire to his San Marino home, but now he has a new job.

LA 161-385

**McCone Voted  
In as Director  
of H&T Corp.**

WASHINGTON (UPI) —  
John A. McCone, former  
director of the Central Intel-  
ligence Agency, has been  
elected to the board of direc-  
tors of International Tele-  
phone & Telegraph Corp., it  
was announced Sunday.

McCone was named in  
1961 to head the CIA. He re-  
signed the post last April to  
resume his former business  
activities as a director of the  
Western Bank Corp., United  
California Bank, Pacific Mu-  
tual Life Insurance Co. and  
Standard Oil Co. of Califor-  
nia.

He also served as chair-  
man of a commission named  
by California Gov. Brown  
that investigated the Los An-  
geles riot of last August.

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EXHIBIT E

McCone, 20  
WED MAR 30 1966  
Others Back  
Christopher

George Christopher's campaign for the Republican gubernatorial nomination won endorsement Tuesday from 21 civic figures, including John A. McCone, chairman of the McCone Commission named by Gov. Brown to investigate the August riot in south Los Angeles.

Others are Dr. Wilbur Bailey, Peter Colefax, Dr.

John B. Doyle, Byron H. Farwell, Felix H. Farewell, Conrad N. Hilton, John Mage, Henry Mudd, Robert F. Niven.

Also Neil Petree, John V. Vaughn, Howard W. Wright, George A. Beavers Jr., Keating Coffey, Richard W. Millar, Stuart O'Melveny, Ernest A. Bryant, Lawrence L. Frank, Brook Gifford and Alalay P. Quirk.

Christopher Tuesday endorsed Assemblyman Tom Carrell's legislation authorizing temporarily increased taxes to finance preliminary studies for construction of a Southern California mass rapid transit system.

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EXHIBIT F

# Crises in Cities' SUN APR 1968 Challenge to All

JOHN A. McCONE

Some among us question that our country should strive to lead the world, as it has done these past 20 years. Europe is far away, it is argued, and Asia is even farther. Africa for centuries has been the ward of the Western European capitals and they, not we, should carry this burden. The western hemisphere alone should be our trust.

An overwhelming present-day reality prevents this comfortable escape from the perplexing and expensive responsibilities of world leadership. That reality is that the power equation in this awesome nuclear age permits no subscription for United States leadership of the free world.

Today this equation rests in an uneasy balance. For it is a balance of nuclear powers, each capable of inflicting inestimable damage upon the other. But each knowing full well that the consequences of a strike, whether with warning or by surprise, would bring to the offender a counter-blow of such violence that losses sustained would be wholly unacceptable. Without the United States this balance will forever be lost.

*John A. McCone, former director of the Central Intelligence Agency, and chairman of the commission which investigated the Watts riot of last summer, addressed the 78th installation banquet of the Los Angeles Chamber of Commerce on March 23. This is an excerpt of that speech.*

## Hand of Destiny

The responsibility that is now ours has been thrust upon us by the hand of destiny. We did not seek it. It became evident some 20 years ago that international communism was determined to destroy all vestige of liberty and, under Kremlin direction, was moving aggressively into every political and power vacuum throughout the world. The United States and the United States alone possessed the determination, the wealth and the military resources to oppose the international Communist plan for world domination.

To measure the success of our costly effort and to judge whether it has all been worthwhile, we must

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EXHIBIT G

view the world as it was in the years after the war and as it is today. We must view this world from Washington and then we must view it as seen by the international Communist . . .

We have exercised leadership with skill and determination and with thoughtful consideration of the interests of others. Today, after two decades of effort and untold billions of dollars, our position in the eyes of the world is growing ever stronger, and the position of international communism is growing ever weaker.

#### Problems Forbidding

Some will challenge this statement. It is true that our problems are forbidding, but it is characteristic of the human condition for a man to feel that his problems, whether in government, in business, or in private life, are more serious than the other fellow's.

Our burdens and troubles in the world outside the United States are manifold. The agony of Vietnam; and disappointments in our relationships with the French and with President De Gaulle; the difficulties with Latin America; and with Cuba and the Dominican Republic; the troubles of Pakistan and India are but a few. Some view these problems as evidence of failure of a policy that has been followed consistently by four Presidents and both parties.

Finally, the fact that we must

maintain, at very great expense, a nuclear arsenal of vast proportions to insure our security and that of the free world is likewise interpreted by some as a demonstration of failure of foreign policy.

However formidable these problems, we can measure the success of our foreign policy only if we swing the telescope around and now look at the world from the viewpoint of the other side and compare Moscow's problems with our own. Where does international communism stand after these years of Soviet efforts towards world domination?

International communism as a carefully contrived monolithic structure has collapsed. *G-2-1*

The Eastern European satellites, once bound irretrievably to Moscow, are now insisting upon the right to follow an independent course in political as well as economic matters. They have successfully extracted one concession after another. The result is that the once tightly knit, centrally controlled organization of Eastern European satellites is now little more than a federation of states, joined together in a rather loose alliance. The fractures within this alliance deepen each day . . .

I am not now forecasting a return of the ballot box in the Eastern European countries. What I am emphasizing is that they are no longer threads in the expanding web of a centrally directed monolithic world Communist movement.

In the Middle East, in Africa, and in Latin America, grandiose plans for political domination from the central source, Moscow, have, for the most part, come to naught as one country after another has turned toward an independent non-conforming role. How frequently a stinging blow is dealt to the Soviet plan! Nigeria, Ghana, Algeria and Indonesia are but a few of the countries in revolt against Communist domination.

Add to this two other great and growing problems bearing down on the Soviet's grand plan.

First, there is the matter of internal pressure generated by the Russian people for necessities and luxuries of life comparable to those enjoyed in the West. . . . This demand is forcing Soviet leadership to reappraise its national programs and priorities. It must now devote an ever-increasing proportion of precious resources and scarce manpower to the needs of the consumer and a lesser percentage to the military establishment and to the strategy for world domination.

SUN APR 3 1966

#### Grave Differences

And second, there are the grave differences with their Chinese neighbor, 700 million strong . . . and potentially dangerous over every mile of their 6,000-mile common border . . .

I am not here forecasting the end of the Marxist philosophy. Communism is established in many places, and in some areas it will continue to grow until the perception of the individual rejects it. China, now espousing a most antagonistic policy, flourishes momentarily on Marxism. The aggressive policies their leaders now embrace, if continued, represent a serious long-range threat to the entire world . . .

But my point is that international communism as a monolithic structure, centrally directed and designed to control the world by persuasion, by subversion or by conquest, has failed. I have viewed at close range the conflicting issues and ambitions within the Communist movement. It is my observation, that the differences are so great, the fractures so deep that the monolithic structure of the movement cannot be revived. Since this is central to the success of their objectives — for without a cohesive international Communist structure the objective of world domination is beyond grasp—I say with confidence that the ebb and flow of international affairs is running in favor of the principles we embrace.

So without belaboring the issues of foreign policy or attempting to discuss in detail the problems confronting the United States in today's difficult world, I draw two general conclusions.

First, our efforts of the past 20 years, trying and costly, have been more rewarding than we may now realize. At the very least, we have led the rest of the free world back from the brink of disaster to a position of strength and dignity. But, in reality, we have done much more. People throughout the world are reaching, as never before, for the right of self-determination and for the sacred principles of freedom and human dignity . . .

Second, our task is not yet complete. We, as the strongest nation in the world . . . , must continue to provide security to our friends and serve as an example and an inspiration to all, most particularly the developing nations that are now groping for a way of life.

To inspire this fast-evolving world and provide the example to follow, we must conduct ourselves as a nation and a society that is dynamic in its internal affairs and resolute in its determination to serve the interests and the safety of all of its citizens.

We shall not succeed in this vital role . . . if the ills, which today are undermining the structure of our society, are permitted to continue to spread and to grow as a cancer spreads through human tissue . . .

If anything has become clear to me in the course of my recent experience with international and domestic situations, it is that there is an interrelationship between the way we conduct ourselves at home and our standing and influence abroad and this interrelationship has begun to shape our fate as a nation.

This then is my answer to the statement, often advanced, that the growing problems within our country, most particularly those in the larger urban centers, are being unnecessarily exaggerated and that this exaggeration and the solutions offered by government are purely for political purpose. I do not wish to discount the force of politics in our every day life; nor do I fail to recognize the hand of politics in many of these matters. Nevertheless, we cannot dismiss the seriousness of the "crises in our cities" as being the product of crude politics.

On the contrary, I am convinced that the consequences of rapid and radical change within our country; of an ever-expanding population; of the growing numbers of Negroes and other minorities as well; of movement of countless throngs from rural to urban centers; of mechanization with its serious effect on the unskilled; . . . have produced problems so vast and so serious that they cannot be exaggerated. And the solutions are so important that they cannot be dismissed as political expediency.

#### Gnawing Problems

Nor am I impressed with the argument that the solutions to these growing problems, whether in the field of education, of training, or urban renewal, of transportation, of the pollution of our rivers and beaches and the air we breathe . . . are all so vast as to be hopelessly beyond private resources and, therefore, must either go unattended or be taken over by government.

I am convinced . . . that these great gnawing problems cannot be left unattended. They must be solved if we are to survive as a nation and they must be solved locally if our state and our city is to continue as the nation's garden spot.

I am equally convinced from experience with not one administration but with four, that these great problems will be tackled and will be solved. The choice before us then is whether we, as leaders of this community, will take in



hand problems that presently confront us and find the solution for them. Or, whether, in the alternative, we shall elect to abdicate our responsibility to Washington—and stand idly by as our city is transformed by others into a city that we will have great difficulty recognizing as our own in the future.

Knowing my city . . . I assume we shall close with these problems ourselves. Where do we start?

First, we mobilize the brains and the vast energy of the private sector of our community—the businessmen and labor leaders; the educators and the churchmen; the spokesmen for civic groups and for the minorities as well.

Specialists in every field I have mentioned must focus their special knowledge and talent on the great problems that confront us.

From all of these we can expect a clear definition of the need—and the direction of the essential developments called for to meet that need.

We must face the problem and seek the solution without regard to individual interest or selfish motive. And then we must insist that the political powers, regardless of where or who they are, serve us in implementing our plans and programs. We insist that they not impose their plans, their programs, upon us.

#### Provider of Resources

Many problems can be solved within the resources of the private sector. Others are obviously so vast as to require government finance. But all plans for the solution of all problems must be designed by you, as the leaders of your community. For in the final analysis you, as the taxpayer, are the provider of all resources available to meet the growing issues of your city.

President Eisenhower in his recent book, "Waging Peace," when reviewing the gnawing problems of our society today, suggests that every person ask of himself, "Am I doing my duty as a citizen? Am I doing my part?"

And, then, in his appeal for action by the citizens of our country, supported by the vast resources of government — resources indeed which are provided by the citizens themselves—President Eisenhower states: "This is part of the unfinished business of our nation. To fail to meet these internal challenges successfully is to weaken ourselves at home and to distort the true meaning of America abroad."

# M'CONE ON WATTS

BY JOHN A. McCONE AND WARREN M. CHRISTOPHER

"Nobody cares, nothing has been done." In a city where many care deeply and much has been done, the strident repetition of this false theme is inflammatory and destructive.

This is the central vice of Mr. Judd Schulberg's May 15 article (in Opinion) on the problems of Watts which, however well-intended, is so full of oversight and misinformation that it is seriously damaging to the good works he professes to support.

To suggest that "not one" of the reforms recommended by our commission has been implemented is not only absolutely wrong but it reflects a dismaying lack of appreciation for the determined efforts of those who have helped achieve not one but many of the recommended reforms. Moreover, when Mr. Schulberg's article fails to support current constructive efforts and refers to them as "another kind of bag" and "another door slammed" in the Negro's face, it expresses a "damned-if-you-do, damned-if-you-don't" attitude which is as puzzling as it is regrettable.

Mr. Schulberg refers to the commission's report as "anemic," "bloodless," "sterile," "hapless," a "body blow" to the Negro community. Yet, the problems he identifies bear a very remarkable resemblance to the problems identified in the report. Indeed, stripped of its violent language, the young teacher's catalogue of problems, which is the basis of Mr. Schulberg's article, almost seems to have been drawn from the pages of the report.

Los Angeles Times

## Opinion

Interpretation  
Perspective: News in Review  
Editorials

**SECTION G**

SUNDAY MAY 22, 1966  
**SUN MAY 22 1966**

What is totally missing, however, in Mr. Schulberg's article is any recognition of the progress which has been made on the problems since the issuance of the report last December. The following examples show how far Mr. Schulberg missed the target when he said that not one of the commission's recommendations has been implemented.

1—In discussing unemployment, Mr. Schulberg completely ignores the fact that H. C. "Chad" McClellan's Management Council for Merit Employment, acting on the impetus of the report, has found jobs for more than 4,670 residents of Watts since last December and stands ready to place a large additional number of trained workers. This remarkable private effort has been undertaken in close cooperation with the state "service center" recently established in Watts to assist in employment and related matters.

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**'Skill Center'**

Equally disregarded is the Opportunities Industrialization Center (OIC), initiated by a Negro group and financed by a \$450,000 Ford Foundation grant to train those who remain jobless. Paralleling this pioneering private effort is a new "skill center" of the state Department of Employment in Watts which will train over 3,500 workers in the next three years.

These constructive programs are providing an opportunity for the Negro, if he so desires, to receive job training and to find employment. As Roy Wilkins, the long-time executive secretary of the NAACP, has said, the white community must "put action above cynicism" but at the same time the Negro must "shoulder his responsibilities" and not "go limp."

2—In education, not only does Mr. Schulberg ignore the commission's sweeping educational recommendations, but he fails to report the expensive and substantive steps which have already been taken—the \$189 million Los Angeles school bond issue on the June ballot (Proposition S) which has the purpose, among others, of ending double sessions and of providing cafeterias in 34 additional schools in the poverty areas; the \$12 million additional state aid recommended by the governor to reduce class size in the poverty areas; the \$20 million in additional state bond funds for the extra classrooms that smaller classes will require in the poverty areas; and the extraordinary cooperation of federal, state and local officials in establishing a pre-school program in the poverty areas.

**\$12 Million Bond Issue**

3—In health care, the Board of Supervisors has put a \$12 million bond issue on the June ballot (Proposition A) to provide the county's share of the funds for a first-rate hospital in the Watts area.

4—In the field of law enforcement, which received 10 pages of attention in the commission's report, there have also been important steps since year's end. As recommended, the city council has established an inspector general outside the chain of command in the police department to handle civilian complaints and the department's community relations program has been markedly strengthened.

5—As an aid to public transportation, the federal government is apparently on the verge of making a \$2.7 million grant for special bus service to transport workers from the Watts area to centers of employment. (The commission noted that Los Angeles has probably the worst network of public transportation of any major city in the United States, but in the interest of accuracy, it should be said that the nearest movie theater is a 15-cent bus ride from Watts, not a "big dollar's bus fare away," as Mr. Schulberg asserts.)

6—Although Mr. Schulberg's article complains of "rejection at City Hall," the city council has recently set up a City Commission on Human Relations. This followed the recommendation of the commission and was urged by all three Negro city councilmen.

These are signs of progress, unmistakable indicators that people care. When they are ignored by those who profess leadership or pur-

port to be "telling it like it is," it tends to spark the very explosion they say they wish to avoid.

There are no instant solutions or magic cures for the problems of Watts. Years of patient, diligent, expensive endeavor will be necessary, and even then the problems will yield only if there is determined participation by all elements of the community. The ultimate measure of success will not be so much what is done for the residents of Watts, but rather what is done by them with the assistance of the remainder of the community.

The shallowness, of Mr. Schulberg's thesis stands out in his approach to the problem of medical care in Watts. He pleads for a decent hospital in the Watts area, criticizing the literary quality but not the substance of the commission's recommendation of a first-class hospital. However, instead of urging people to provide the money to build such a hospital by voting "Yes" on Proposition A on the ballot in the June election, he glosses over that most significant project and manages to imply that what has been done is some kind of deception.

On the contrary, the proposal for a hospital in Watts is a graphic example of the amount of leadership and effort which is being devoted to the problems of that area. Here are some of the time-consuming and vital steps which have already been taken, many of them with the assistance of distinguished Negro physicians and others in the Negro community:

Following the commission's recommendations, the director of the Southern California Hospital Planning Assn. convened representatives of the Los Angeles Department of Charities, medical schools in Los Angeles, the Charles Drew Medical Society, labor and consumer groups from the Watts area, and concerned

individuals to (a) recommend how the hospital districts of metropolitan Los Angeles should be redrawn to make the Watts area eligible for federal support of hospital construction, b) identify the structural needs of the new hospital, i.e. what it should contain and what it need not contain, an important technical task which is not achieved by exhortation, and (c) devise a means of insuring a high quality of medical care within the new hospital.

The recommendations were approved by the state Hospital Advisory Council whose chairman is state director of public health.

Site planning and architectural plans were evolved by the Los Angeles County Department of Charities and approved by the Los Angeles County Board of Supervisors.

Detailed medical planning is going forward on the innumerable organizational, educational and recruitment problems which must be solved by the time the new hospital is built.

Large numbers of community leaders, civic organizations, church groups and medical societies are working hard to inform the public about the need for the hospital and the importance of an affirmative vote on Proposition A.

In this latter effort, we would welcome the help of Mr. Schulberg and the young teacher he quotes. The effort is not aided by the statement in Mr. Schulberg's article that the "ballot deal is another kind of bag."

There is no room for complacency about the problems of Watts. If much has been done, there is much more yet to do. If we are to avoid a series of long hot summers, it will take an historic effort by the white community and the resolute participation of the Negro community. In this endeavor, neither community will be aided or inspired by inflammatory articles or public statements which proclaim the erroneous thesis that "Nobody cares; nothing has been done."

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## Watts: 'The Real Agitators'

"We are encouraged, but far from satisfied."

FRI AUG 19 1966

Thus did the McCone Commission summarize a year of action and inaction in dealing with the basic causes of last August's violence.

Its report points to progress, however limited, in every major area of discontent among the disadvantaged—education, employment, law enforcement, health, welfare, transportation, housing and urban development.

"Perhaps the most encouraging single development since the publication of our report," noted Chairman John McCone, "has been the emergence of community efforts to improve conditions in the area and prevent a recurrence of strife."

At the same time, the commission emphasized the mammoth task that remains and cited specific failures at governmental levels during the past 12 months.

One of the most disappointing has been the Board of Supervisors' response to the deplorable lack of adequate hospital facilities in South Central Los Angeles.

Existing hospitals, warned the McCone Commission's original report, are "grossly inadequate," as it urged construction of a new county facility. The supervisors, however, took the easy way out by placing a \$12.3 million hospital bond issue on the June ballot, although the difficulty of achieving the necessary 2/3 vote of approval must have been evident to every member.

As expected, the hospital bonds failed, but by a surprisingly narrow margin. Some 62.5% of the voters expressed ap-

proval. Thereupon the board pledged to find some other way to build the critically needed hospital. Money for plans and additional land purchase was placed in the 1966-67 county budget.

This week, however, three supervisors compounded the board's earlier error by abruptly halting all expenditures for the hospital project. Supervisors Warren Dorn and Ernest Debs said they were absent when the majority of the board voted planning funds. If so, they should have read the minutes of the meetings they missed.

In contrast, on the same day the supervisors met, it was reported that some 12,000 Negroes have been placed in jobs during the past year. More than 2,000 business firms participated in the effort directly or indirectly, said H. C. McClellan, president of the Management Council for Merit Employment, Training and Research.

In praising the "spectacular job" done by the council and the State Employment Service, the McCone Commission called attention to the much larger number of those who are untrained or unprepared for any kind of job. To meet this problem, a dozen training programs are planned or in progress, with an anticipated participation of more than 16,000 persons.

Success of such attacks on the root causes of discontent is the surest guarantee that violence will not return. For as Atty. Gen. Nicholas Katzenbach told a Senate subcommittee Wednesday, riots are really caused by the "agitators named disease and despair, joblessness and hopelessness, rat-infested housing and long-impacted cynicism."

# The State

## WATTS: Commission

### Issues Second Report

SUN AUG 21 1966

The McCone Commission which investigated last August's rioting in the Negro district of Los Angeles came up with a second report for Gov. Brown last week. It said that "significant progress has been made in all but a few of the recommendations" made by the commission in its original report last December.

Chairman John A. McCone said: "We are encouraged but not satisfied." The governor agreed that there was no cause for anyone to feel complacent, but said he was heartened by progress in the Negro community and cited the Watts Summer Festival and other events which indicate changes for the better.

Pleasing to the commission were "impressive" gains in employment and job-training in the district; most disappointing was insufficient improvement in schooling.

The commission said that "perhaps the most encouraging" single development was the burgeoning drive of the community to help itself and prevent recurrence of strife. It pointed out that the efforts of many citizens and prompt police work combined to control an outbreak on Mar. 15 which took two lives.

### Literacy Program

In deploring the lag in schooling, the report said the commission's specific recommendations for an emergency program to increase literacy were not "fulfilled." Also:

"A sharp reduction in (school) class size and concentration of experienced personnel in schools in poverty areas has not been accomplished—even on a pilot basis.

"Despite substantial aid from federal and state agencies, piecemeal efforts to implement new programs have not been effective in meeting the unique educational needs of the culturally-disadvantaged . . ."

It pointed out that a proposal to reduce double school sessions by transporting 2160 children from crowded elementary schools to schools with empty seats was defeated by the Los Angeles School Board by a vote of 4 to 3.

The report cited strides in employment—an estimated 10,000 residents of the district finding jobs through the State Employment Service and through private industry. It said a "spectacular job" had been done by the state agency and by the Management Council for Merit Employment Training and Research, headed by H. C. McClellan.

While praising law enforcement agencies for "new and promising" gains in better relations with "minority communities," the commission declared that its "concept of 'inspector general' that it recommended," is not in operation." The inspector general has been appointed, the report conceded, but he has not been properly staffed "with officers and civilian personnel" and has been unable to investigate civilian complaints outside of the police chain of command.

McCone also told Gov. Brown: "We continue to doubt whether the police commission, which meets once a week with compensation fixed at \$10 per meeting," is "fully responding to the opportunity and the responsibility" in the city's charter.

Simultaneously with issuance of the second McCone report, the Negro community took an action which indicates better relations with the police. The Temporary Alliance of Local Organizations, a community group which set up the Community Alert Patrol to check up on police, ended operation of the patrol, at least temporarily at midnight last Wednesday. The TALO had formed the patrol three months ago to observe and record instances of "poor police procedures."

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## McCone Urges All-Out Aid to Needy Pupils

A costly and revolutionary educational program at every grade level must be undertaken to break "the cycle of failure" among disadvantaged children and prevent future racial strife. John A. McCone said Thursday night.

SEP 16 1968  
McCone, chairman of the McCone Commission which investigated causes of last year's Watts riot and former chief of the Central Intelligence Agency, addressed 800 persons attending Loyola University's seventh annual Citizenship Day dinner at the Beverly Hilton.

He called for the anti-poverty program's Head Start project to be implemented on a permanent basis under the city school system. The project provides special classes for pre-school children of disadvantaged families.

### 'Dramatic Change'

He also proposed "much smaller classes" and "the best of the teachers" to effect "a dramatic change in our traditional pattern" to raise the low scholastic achievement of minority group children.

These two "costly emergency measures" will provide a permanent solution, from which solutions to all the other racial problems will emerge, McCone said. Without this approach, he warned, the Watts riot could be "but a curtain-raiser—a warning of deeper trouble to come."

McCone said Los Angeles has achieved "reasonable success" in providing jobs and job training for the disadvantaged. The antipoverty program here has been "free from the troubles which have beset other cities" for which he lauded the leaders of "this vast constructive program."

At the dinner, Marine Col. Michael R. Yunk, who was recently wounded in Vietnam, was presented the university's Loyalty Medallion.

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## Special UC Probe Is Unnecessary

When Gov.-elect Ronald Reagan first announced plans for a blue ribbon commission to investigate the University of California there were widespread fears that the inquiry would degenerate into a witch-hunt on the Berkeley campus.

Former CIA chief John McCone, whom Reagan proposed to appoint chairman of the commission then set forth ground rules under which he would accept the assignment. His statement allayed some, though not all, of the fears that UC might be damaged by a "probe."

Lt. Gov.-elect Robert H. Finch declared recently that the commission will look into the whole structure of the university in a broad-gauge, high level examination which would include examination of the financial structure of the institution.

His words were heartening, particularly since it must be assumed that he spoke out only after consulting with Reagan.

Nonetheless the statement points to the basic fallacy involved in creation of such a commission.

The Joint Legislative Committee on Higher Education has already embarked on an in-depth study covering both the university and state colleges. Of necessity that examination will include the problem of state support. Thus the commission inquiry would be, at least in part, duplicative.

McCone has said that any investigation he might conduct would be under the direction of the Board of Regents of the university. A spokesman for Reagan has indicated that the commission would report to the regents not to the governor.

The legislative committee findings, however, would likewise be available to the regents as well as to the governor and the Legislature.

Under the state constitution, the Board of Regents is an autonomous body subject only to legislative control over its budget, its compliance with endowments and the security of its funds.

Assembly Speaker Jesse M. Unruh, who heads the joint legislative committee, is an ex-officio member of the board. So, when they assume office, will be Reagan and Finch. Thus they will be able to keep tab on the situation.

To create a special commission would set a dangerous precedent which would seem to run directly counter to the plain intent of the constitution. This is particularly so when a legislative body is already exercising its proper investigatory function.

Under the circumstances The Times suggests that the blue ribbon commission proposal be held in abeyance, while the joint legislative group goes about its rightful business.

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# 'No Shortcuts Found,' McCone Tells Critics

BY JACK JONES

Times Staff Writer

Industrialist John A. McCone, chairman of the commission which reported on reasons for south Los Angeles rioting more than a year ago, responded to criticism of that report Friday by saying the commission found "no shortcuts and no easy answers."

Replying to complaints by several participants in a two-day leadership seminar at USC — some of them commission consultants — that the blue ribbon group selected by Gov. Brown had treated complex sociological problems "superficially," McCone said in a letter to the seminar: 1-2-4

"By confining our recommendations to practical programs, great progress has been made in our community in the past year, and this must not be overlooked."

His letter, read to the "McCone Report Revisited" conference on the USC campus by commission counsel Thomas Sheridan, also noted that most of the

suggestions advanced for more drastic solutions to the problems of Negroes here had been considered by the commission.

No practical way was found, McCone wrote, "to implement certain of the ideological approaches suggested . . ."

McCone also sent along a copy of a speech he delivered on Wednesday in New York in which he expressed the view that lack of jobs and special schooling are "at the root of most complaints."

McCone held that private industry is ready to engage in training and employment of Negroes and said he believed this is a "preferable alternative to the make-work programs so often suggested and always dependent on large and uncertain government appropriations."

Friday was supposed to be the day the seminar, sponsored by USC's School of Public Administration, turned from criti-

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cism of the McCone Report to concrete suggestions, but the results were mixed.

Max Mont, civil rights coordinator for the County Federation of Labor, reacted to the McCone letter by saying heatedly, "With this kind of programming we are doomed to utter failure. We need a comprehensive program to deal with discriminating in American life."

During the morning session, however, papers prepared as the result of a preliminary eight-week seminar by professionals from agencies working in minority areas did propose "constructive alternatives" to the McCone Re-

port recommendations.

These included ambitious plans to coordinate state and federal job training programs, increase on-the-job training projects, establish public works programs, overhaul the welfare system, integrate schools and teach Negro children pride in themselves.

JOSEPH ALSOP

## Conservative Pins Down Facts of Negro Problem

In this country, the word "conservative" has been strangely debased, to stand for crackpot Texas millionaires, hot-eyed Birch Society members and southern racists.

But in the normal political lexicon, conservative is still an honorable word, meaning a practical, national-minded man who holds to the old ways while being willing, maybe a bit grudgingly, to support great innovations when the national interest demands them. In this sense, former CIA Director John A. McCone is an outstanding American conservative—a big businessman, cautious yet public-spirited, never given to visionary nonsense, but always ready to face facts.

The fact that McCone is this sort of man is of real current importance because of a speech he made the other day to the Advertising Council. Most people, who do not know the facts that McCone has studied and faced, will think it a very radical speech.

The Advertising Council's invitation to McCone grew out of his chairmanship of the investigative commission appointed after the Watts riots two summers ago. His subject was the Negro problem and what to do about it. He sternly warned his hearers that unless

something adequate was done pretty quickly, the "breach" between disadvantaged and more fortunate would "split our society irretrievably."

He had two prescriptions for a solution: more jobs and better education. Since it was the educational prescription offered by McCone that gave his remarkable speech its radical character, this is what deserves to be most carefully weighed.

He began by pointing out that the currently fashionable remedy for the failure of the schools in the Negro ghettos—mere forcible desegregation—was bound to be a washout. Wherever tried, the combination of large numbers of heavily disadvantaged children with more fortunate children has automatically depressed school quality.

As soon as the quality of a school goes down, the parents of the more fortunate children join the white emigration to the suburbs. Thus thoughtless school desegregation—without attention to school quality—has always led to the extension of the Negro ghetto, in every city in this country where it has been attempted. These are cruelly tragic facts; but they must be faced, and McCone faced them.

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McCone therefore placed his entire emphasis on school-quality. He boldly advocated what may be called positive discrimination — nothing less than a vast increase in per-child investment in education in disadvantaged neighborhoods, as compared with per-child investment in middle-class neighborhoods.

★

"A new and revolutionary approach must be made at every grade level," he said. "This calls for smaller—much smaller—classes to maximize effective teaching. It calls for the best teachers. (It calls for) a dramatic change in our traditional pattern of education."

And of course it will be a dramatic, indeed a radical change if New York City, for instance, begins to spend two or three times as much to educate children in Harlem as is spent per child in the middle-class parts of Queens. But that is what McCone wants, and he wants it "regardless of cost."

In his speech, he did not put a price tag on his recommendations. But in his home city, Los Angeles, he advocates a \$250 million increase in the school budget—a rise by more than a third, in fact. He is also known to have urged the able secretary of health, education and welfare, John Gardner, to launch a national school aid program, centered on disadvantaged neighborhoods, to cost no less than \$4 billion.

It is time to pay attention, when one of nature's budget-balancers begins pressing for such enormous new outlays. But the difference between John McCone and other solid businessmen of the same stripe is that McCone has looked into the abyss that this country can fall into. He knows what can happen to the United States if we do not do what is needful, "regardless of cost."

What can happen is quite clear. If present trends continue, large numbers of our cities will be progressively transformed into hideous reservations for the Negro poor. The vast capital investments in the center cities will be written down to 10 cents on the dollar. And worst of all, ours will become a repressive society; for the white majority cannot expect the Negro minority to accept this kind of future with passive resignation.

★

What should happen is also quite clear. We can adopt McCone's prescription forthwith, and add to it every other practical prescription that promises remedy. It is a sign of the luck of America that such a prescription has been offered by such a man as McCone. It is a sign, in fact, that the true conservatives are beginning to move. For as McCone has sardonically remarked, paraphrasing Clemenceau on war, "The Negro problem is far too serious a matter to be left to the liberals."

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LA 161-385

## Private Sector Enlisted in Fight Against Slums

Exclusive to The Times from a Staff Writer

WASHINGTON—President Johnson has named a blue-ribbon committee of industrialists, financiers, labor leaders and politicians to determine how private enterprise can help rid the nation's cities of slums.

Whatever good works the committee produces will not only benefit the cities but will produce profits for American businessmen and jobs for workers as well.

Edgar F. Kaiser of Lafayette, Calif., president of Kaiser Industries, Inc., has been named chairman of the committee which also includes John A. McCone of San Marino, Calif., former head of the Central Intelligence Agency. McCone headed the special committee named by former Gov. Edmund G. (Pat) Brown in 1965 to investigate the Watts riots in Los Angeles.

Joseph Califano, a special assistant to President Johnson, called the appointment of the committee an act comparable in importance to the establishment of the Public Housing and Urban Renewal Programs in the model cities program.

Sources on Capitol Hill, while greeting the appointment of the committee, were less sweeping in their characterization.

"It's easy to appoint a committee," one said. "But we've got to see the results in the money before we can judge the importance."

Announcement of the committee's formation

was timed for publication today. In naming the committee, Mr. Johnson said:

"No domestic task facing this nation today is more demanding or more urgent than reclaiming the corroded core of the American city.

'Shame to Nation'

"A substantial part of that task is the rebuilding of slums—with their 7 million dilapidated dwellings—which shame this nation and its cities.

"So vast an undertaking represents, as well, an enormous potential market. American industry has sought and developed markets around the globe. This one lies—waiting—at its very doorstep.

"To tap this market, and do the job that must be done, the inventive genius of private industry and the creative productivity of American labor must be fused with the support and initiative of state and local governments and the resources of the federal government."

Mr. Johnson asked the committee to find the incentives to stimulate industry and labor to apply all the techniques of private industry to solving the slum problem.

Some of the committee members swerved on the task force that worked out the organization and responsibilities for the Department of Housing and Urban Development two years ago.

Others were prominent witnesses before the Senate subcommittee headed by Sen. Abraham A. Ribicoff (D-Conn.) which has been investigating the problems of the cities.

Mr. Johnson announced last March 14, in a special message on world and urban poverty, that he would appoint the committee.

LA 161-385

## Racial Violence Could Destroy U.S., McCone Tells Senators

Newark's Mayor Addonizio Says Middle-Class America  
Is More Interested in Luxuries Than in Saving Cities

BY VINCENT J. BURKE <sup>WFO AUG 23 1968</sup>  
Times Staff Writer

WASHINGTON — John A. McCone, chief of the commission that investigated the 1965 Watts riot, testified Tuesday that an answer must be found to racial violence or it will destroy the country.

His warning came as Mayor Hugh J. Addonizio of Newark complained that prospering white citizens don't want to spend the tax money needed to solve the problems of the Negro ghetto.

Addonizio, whose city was ripped by the first of this summer's two major riots, declared:

"Affluent Americans are gripped more by the need to buy a vacation home, a sports car for their college-bound son and a second color television set than they are with sharing their affluence with the poor."

It is "the cruelest of myths," Addonizio said, "... that middle-class America has an interest in saving cities."

McCone and Addonizio testified

separately at a closed session of President Johnson's National Advisory Commission on Civil Disorders.

Addonizio came armed with prepared testimony which he made public. McCone issued no public statement on his commission testimony, but testified publicly later before the Senate Judiciary Committee.

The Senate committee is considering a House-passed bill that would make interstate travel with intent to incite a riot a federal crime. McCone told the senators he could see no objection to the bill, calling it "reasonable." But he added: "It is not an alternative to the positive measures that must be taken."

Another witness, Jefferson B. Fordham, dean of the University of Pennsylvania law school, assailed the bill as a "big-stick reaction" and said its passage probably would

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bring more violence in the cities.

McCone gave both the presidential and congressional panels copies of a new report from his commission staff detailing what has been done to carry out the commission's December, 1965, recommendations for improving conditions in Watts.

The report, which McCone submitted Saturday to Gov. Reagan, will be published later this week. It contains a covering letter from McCone to Reagan, stating, "We can continue to be encouraged but far from satisfied by the progress made."

Addonizio and McCone gave conflicting appraisals of the federal cost of solving ghetto problems.

#### 'Marshall Plan'

Addonizio said it is clear that "a staggering effort—yes, a Marshall Plan—is needed. It is needed in housing, education, in employment, in crime control, in health programs and in stabilizing tax rates."

McCone told the senators, "I do not believe in pouring in money." He added that, although the total cost of dealing effectively with the problem

would be greater than the amount now being spent, it would not be "as great as some think" because money can be channeled away from some antipov-erty measures that are unproductive.

Although he did not pinpoint the unproductive areas, McCone expressed concern over the rise in welfare costs in Los Angeles County which, he said, have jumped 34% in two years.

In discussing causes of ghetto riots, McCone said

the white community had contributed to a "frustration and rage" among Negroes by holding out great expectations — first through the 1954 Supreme Court edict outlawing segregated schools and then by promises which were not fully kept because of "financial and administrative problems."

Then, he said, the white community tempted the Negroes to translate the "rage and frustration" into violence through a prevailing attitude of "tolerance toward disobedience."

"There's been a leniency," he said, "in which the temptation to move has been quite great."

McCone said unless we find a solution to the

racial problem "it is going to split our society irretrievably and destroy our country."

He suggested a three-point program of jobs and job training, education and leadership, and determination and responsibility by the whole society, including Negroes.

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LA 161-385

SUN AUG 13 1972  
**McCone Will  
Help Push  
Bond Plan**

Los Angeles executive John A. McCone has been named cochairman of a statewide citizens committee supporting a ballot bond measure to finance more health care training facilities for California.

The Citizens for Health Sciences Facilities is seeking passage of a \$156 million issue for construction and expansion of health science facilities on seven campuses of the University of California.

On taking the post, McCone, who will serve as co-chairman with San Francisco attorney Theodore R. Meyer, said there is "a critical shortage of health professionals in California."

The shortage "can only be alleviated by immediate expansion of the state's . . . training facilities," according to McCone, who is chairman of Hendy International Co. and former chief of the U.S. Atomic Energy Commission and Central Intelligence Agency.

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# 'Police Brutality' SAT MAY 24 1969 Talk Fades, M'Cone Tells Sheriff Class

John A. McCone, former director of the Central Intelligence Agency, Friday told a Sheriff's Academy graduating class that "the phrase 'police brutality' is seldom heard in the community."

However, he warned that while the number of persons antagonistic to police officers is decreasing, these dissidents are becoming "more active and more violent."

McCone spoke in the Ahmanson Theater at The Music Center at the graduation of the largest group of law enforcement officers in the history of California.

Besides 186 sheriff's deputies, Sheriff Peter J. Pitchess awarded academy certificates to 35 officers from police departments in Los Angeles and Orange counties, and the Marine Corps.

McCone, who headed the governor's commission which investigated the 1965 riots in Los Angeles County, said some events of recent months and recent years have cast law enforcement in an uncomfortable light.

McCone said his 1965 commission opposed establishment of civilian review boards for law enforcement agencies but did propose radical changes in internal procedures within the Police Department for handling of civilian complaints.

"I will not go into detail but merely express my gratification that these changes have been effectively implemented," he said.

FBI

Date: 6/29/73

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(Type in plaintext or code)Via AIRTEL AIR MAIL  
(Priority)

TO: ACTING DIRECTOR, FBI (161-1709)

FROM: SAC, LOS ANGELES (161-385) (P)

RE: JOHN ALEX MC CONE  
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BUDED: 7/3/73 WITHOUT FAIL 17432859

Re Los Angeles teletype to Bureau, 6/28/73.

The library of the "Los Angeles Times", a major metropolitan daily newspaper in the Los Angeles area, as checked by SA FRANK M. KING, JR., on 6/21/73, contained the following pertinent items concerning the appointee:

"U.S. Must Rely on 'Big War'  
Atom Arsenal; M'Cone Says"  
dated August 3, 1957  
(Exhibit A)

"Head of Central Intelligence  
Agency Possesses Great Power"  
dated January 29, 1962  
(Exhibit B)

"McCone Did Top-Notch CIA Job"  
dated April 28, 1965  
(Exhibit C)

161-1709-94  
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JUL 2 1973

- ① - Bureau (AM)  
② - Los Angeles

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53 AUG 24 1973

Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

LA 161-385

"McCone Accustomed to Hard Assignments"  
dated August 20, 1965  
(Exhibit D).

"McCone Voted In As Director of IT&T Corp"  
dated January 17, 1966  
(Exhibit E)

"McCone, 20 Others Back Christopher"  
dated March 30, 1966  
(Exhibit F)

"'Crises in Cities' Challenge to All"  
dated April 3, 1966  
(Exhibit G)

"McCone on Watts"  
dated May 22, 1966  
(Exhibit H)

"Watts: 'The Real Agitators'"  
dated August 19, 1966  
(Exhibit I)

"Watts: Commission Issues Second Report"  
dated August 21, 1966  
(Exhibit J)

"McCone Urges All-Out Aid to Needy Pupils"  
dated September 16, 1966  
(Exhibit K)

"Special UC Probe Is Unnecessary"  
dated November 30, 1966  
(Exhibit L)

"'No Shortcuts Found', McCone Tells Critics"  
dated December 17, 1966  
(Exhibit M)

LA 161-385

"Conservative Pins Down Facts  
of Negro Problem"  
dated December 20, 1966  
(Exhibit N)

"Private Sector Enlisted in Fight  
Against Slums"  
dated June 4, 1967  
(Exhibit O)

"Racial Violence Could Destroy  
U.S., McCone Tells Senators"  
dated August 23, 1967  
(Exhibit P)

"'Police Brutality' Talk Fades,  
McCone Tells Sheriff Class"  
dated May 24, 1969  
(Exhibit Q)

"McCone Will Help Push Bond Plan"  
dated August 13, 1972  
(Exhibit R)

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUN 30 1973

TELETYPE

NR 035 LA PLAIN

00 11:10 PM NITEL 6-29-73 VLB

✓ TO ACTING DIRECTOR (161-1709)

FROM LOS ANGELES (161-385) (P) 5P

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED: JULY 3, 1973, WITHOUT  
FAIL.

RE LOS ANGELES TEL TO THE BUREAU 6-28-73.

REFERENCES: ASA V. CALL, HONORARY CHAIRMAN OF THE BOARD  
PACIFIC MUTUAL LIFE INSURANCE (PMLI) CO., 612 WEST 6TH STREET,  
LOS ANGELES, ADVISED ON 6-28-73 HE HAS KNOWN APPOINTEE AT LEAST  
30 YEARS AS A BUSINESS ASSOCIATE AND AS A CLOSE SOCIAL FRIEND.  
APPOINTEE HAS BEEN A MEMBER OF THE BOARD OF DIRECTORS OF PMLI  
FOR AT LEAST 20 YEARS EXCEPT DURING THE PERIODS WHEN HE WAS  
DIRECTOR OF THE ATOMIC ENERGY COMMISSION (AEC) AND THE CENTRAL  
INTELLIGENCE AGENCY (CIA). APPOINTEE HAS AN EXTREMELY GOOD REPUTATION  
IN THE BUSINESS COMMUNITY AND HIS HONESTY AND INTEGRITY ARE ABOVE  
REPROACH. HIS CHARACTER IS IMPECCABLE AND THERE HAS NEVER BEEN  
ANY SCANDAL OR NOTORIETY CONNECTED WITH HIS NAME. HE IS VERY  
END PAGE ONE

Mr. Felt \_\_\_\_\_  
Mr. Baker \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Cleveland \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. Gebhardt \_\_\_\_\_  
Mr. Jenkins \_\_\_\_\_  
Mr. Marshall \_\_\_\_\_  
Mr. Miller, E.S. \_\_\_\_\_  
Mr. Soyars \_\_\_\_\_  
Mr. Thompson \_\_\_\_\_  
Mr. Walters \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Baise \_\_\_\_\_  
Mr. Barnes \_\_\_\_\_  
Mr. Bowers \_\_\_\_\_  
Mr. Herington \_\_\_\_\_  
Mr. Conmy \_\_\_\_\_  
Mr. Mintz \_\_\_\_\_  
Mr. Ardley \_\_\_\_\_  
Mrs. Hogan \_\_\_\_\_

Mr. Callahan  
Room 4246

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161-1709-95  
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9 AUG 15 1973

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ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
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PAGE TWO

LA 161-385

INTELLIGENT, IS AN EXTREMELY CAPABLE ADMINISTRATOR, AND IS AN ASTUTE BUSINESSMAN. HE HAS BEEN EXTREMELY ACTIVE OVER THE YEARS IN COMMUNITY AFFAIRS AND PUBLIC SERVICE AS HE FEELS HE OWES A DEBT TO THE UNITED STATES AND TO THE PUBLIC<sup>c</sup> AND HE DESIRES TO PAY IT IN THIS FASHION. LOYALTY TO THE UNITED STATES IS UNQUESTIONED AND CALL RECOMMENDS HIM HIGHLY.

BUSINESS AND SOCIAL ACQUAINTANCES: CLIFFORD T. TWETER, CHAIRMAN OF THE BOARD OF DIRECTORS, WESTERN BANCORP, 600 SOUTH SPRING STREET, LOS ANGELES, ADVISED ON 6-28-73 HE HAS KNOWN APPOINTEE OVER 20 YEARS AS A BUSINESS ASSOCIATE. APPOINTEE WAS ON THE BOARD OF DIRECTORS AT UNITED CALIF. BANK (UCB) IN THE 1950'S WHEN TWETER WAS PRESIDENT. IN 1959 APPOINTEE BECAME A MEMBER OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE COMMITTEE OF WESTERN BANCORP, WHICH IS A HOLDING COMPANY FOR 23 BANKS IN THE WESTERN STATES. DESCRIBED APPOINTEE AS HIGHLY INTELLIGENT AND COMPETENT INDIVIDUAL WHO HAS A VERY KEEN MIND AND EXCELLENT LEADERSHIP AND ADMINISTRATIVE QUALITIES. HE IS HARD WORKING, CONSCIENTIOUS, AND A DEDICATED PUBLIC SERVANT. CHARACTER, CONDUCT, HONESTY, INTEGRITY, AND REPUTATION ABOVE REPROACH AND MAKES EXCELLENT IMPRESSION ON EVERYONE. LOYALTY TO THE UNITED STATES UNQUESTIONED AND HIGHLY RECOMMENDED FOR ANY POSITION OF TRUST.

END PAGE TWO

PAGE THREE

LA 161-385

FRANK L. KING, RETIRED CHAIRMAN OF THE BOARD OF DIRECTORS OF UCB AND WESTERN BANCORP, 600 SOUTH SPRING STREET, LOS ANGELES, ADVISED ON 6-28-73 HE HAS KNOWN APPOINTEE SOCIALLY AND THROUGH BUSINESS FOR APPROX. 20 YEARS. THEY WERE MEMBERS OF THE BOARD OF DIRECTORS AT UCB AND BOTH HAVE BEEN ON THE BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE OF WESTERN BANCORP FROM 1959 TO PRESENT. APPOINTEE WAS OFF OF THESE BOARDS DURING THE TIME HE WAS WITH THE AEC AND CIA. APPOINTEE IS OUTSTANDING BUSINESSMAN AND HE HAS EXCELLENT LEADERSHIP QUALITIES. CHARACTER, INTEGRITY, BUSINESS ETHICS, MORAL STANDARDS, AND REPUTATION ABOVE REPROACH. HIGHLY RECOMMENDED BY EVERYONE IN THE BUSINESS COMMUNITY AND NEVER ANY SCANDAL OR NOTORIETY ATTACHED TO HIM<sup>S</sup> NAME. ARTICULATE, CLEAR THINKER, AND DYNAMIC. LOYALTY UNQUESTIONED, RECOMMENDED HIGHLY.

FOLLOWING INDIVIDUALS INTERVIEWED ON DATES INDICATED, FURNISHED SUBSTANTIALLY THE SAME COMMENTS:

EDWARD CARTER, CHAIRMAN OF THE BOARD, BROADWAY HALE STORES, INC., 600 SOUTH SPRING STREET, KNOWN OVER 30 YEARS, SOCIALLY AND HAVE SERVED TOGETHER ON SEVERAL BOARDS OF DIRECTORS, 6-29-73.

STANTON HALE, CHAIRMAN OF THE BOARD OF DIRECTORS, PMLI CO., KNOWN 10 YEARS SOCIALLY AND THROUGH BUSINESS. 6-28-73.

FREDERICK LARKIN, CHAIRMAN OF THE BOARD OF DIRECTORS, SECURITY PACIFIC NATIONAL BANK (SPNB), 561 SOUTH SPRING STREET, KNOWN THROUGH BUSINESS SINCE 1965. 6-28-73.

END PAGE THREE

PAGE FOUR

LA 161-385

WARREN CHRISTOPHER, SENIOR PARTNER, O'MELVENY AND MYERS, ATTORNEYS, 611 WEST 6TH STREET, LOS ANGELES, KNOWN AS FELLOW MEMBER OF THE BOARD OF DIRECTORS, PLMI, SINCE 1965. 6-29-73.

NORMAN FRENCH SMITH, SENIOR PARTNER, GIBSON DUNN AND CRUTCHER, ATTORNEYS, 515 SOUTH FLOWER STREET, KNOWN THROUGH BUSINESS SINCE 1965. 6-29-73.

LEIGH BATTSON, RETIRED INVESTMENT MANAGER, 10375 WILSHIRE BLVD., BEVERLY HILLS, CALIF., KNOWN SOCIALLY OVER 20 YEARS. 6-29-73.

JAMES FRANCIS CARDINAL MC INTYRE, FORMER ARCH BISHOP OF ARCHDIOCESE OF LOS ANGELES, ST. BASIL'S RECTORY, LOS ANGELES, KNOWN OVER 25 YEARS AS FRIEND, MEMBER OF CHURCH, AND ACTIVE LAY CATHOLIC, 6-28-73.

CREDIT AND ARREST: NO RECORD FOR APPOINTEE AT CREDIT BUREAU OF GREATER LOS ANGELES ON 6-27-73, WHICH COVERS SAN MARINO, CALIF. NO RECORD FOR APPOINTEE, HIS WIFE THEILINE, OR SISTERS, MARGARET AICHER AND MARY LOUISE SHELBY AT LOS ANGELES POLICE DEPT. ON 6-28-73 OR LOS ANGELES COUNTY SHERIFF'S OFFICE ON 6-28-73. NO RECORD FOR APPOINTEE OR WIFE AT SAN MARINO, CALIF. POLICE DEPT. ON 6-27-73. NO RECORD FOR APPOINTEE'S SISTER, MARGARET AICHER, AT PASADENA POLICE DEPT. ON 6-28-73.

VERIFICATION OF RESIDENCE OF APPOINTEE'S SISTER, MARGARET AICHER, 670 WESTBRIDGE, PASADENA: MR. C. W. CHRISTIAN, 675 WESTBRIDGE,

END PAGE FOUR

PAGE FIVE

LA 161-385

PASADENA, ADVISED ON 6-28-73 HE HAS KNOWN MRS. AICHER, A WIDOW, AS A NEIGHBOR FOR SIX YEARS AND REGARDS HIGHLY AS TO CHARACTER, REPUTATION, AND LOYALTY.

VERIFICATION OF RESIDENCE OF SISTER MARY LOUISE SHELBY, 11922 SALT AIR, LOS ANGELES: DR. KENNETH NIEBERG, 11929 SALT AIR TERRACE, LOS ANGELES, ADVISED ON 6-29-73 HE HAS KNOWN MARY SHELBY AND HER HUSBAND, DR. DONALD SHELBY, AS NEIGHBORS FOR PAST THREE YEARS. COMMENT FAVORABLY CONCERNING CHARACTER, REPUTATION, AND LOYALTY.

INVESTIGATION CONTINUING AT LOS ANGELES. SPIN.

END

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
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| Mr. Jenkins      | _____ |
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| Mr. Miller, E.S. | _____ |
| Mr. Soyars       | _____ |
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| Mr. Walters      | _____ |
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| Mr. Boise        | _____ |
| Mr. Barnes       | _____ |
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| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR 012 SF PLAIN

JUL 02 1973

7:54PM NITEL 7/2/73 CRH

TELETYPE

TO: ACTING DIRECTOR (161-1709)

FROM: SAN FRANCISCO (161-2206) KRUC) 4P

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED 7/3/73 WITHOUT  
FAIL.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW  
# 432859

RE LOS ANGELES TELETYPE 6/27/73.

ROBERT BRIDGES, ATTORNEY, THELAN, MARRIN, JOHNSON AND  
BRIDGES LAW FIRM, 111 SUTTER STREET, SAN FRANCISCO, CALIFORNIA,  
ADVISES THIS DATE THAT HE AND MC CONE HAVE BEEN CLOSE PERSONAL  
FRIENDS AND BUSINESS ASSOCIATES FOR APPROXIMATELY 35 YEARS.  
HE WAS ACQUAINTED WITH THE FORMER MRS. MC CONE AND KNOWS THE  
PRESENT WIFE OF MC CONE AND CONSIDERS THEM PEOPLE OF THE  
FINEST REPUTATION AND OF THE HIGHEST MORAL CHARACTER. BRIDGES  
STATED HE HAS BEEN INVOLVED WITH THE LEGAL ASPECTS OF MERGER  
OF JOSHUA HENDY CORPORATION WITH KAISER INDUSTRIES AND MC CONE  
SERVES AS A DIRECTOR OF BOTH FIRMS. BRIDGES STATED THAT  
MC CONE IS ALSO A DIRECTOR OF THE STANDARD OIL COMPANY OF  
CALIFORNIA WITH WHOM HE HAS EXTENSIVE LEGAL CONTACTS. HE  
STATED THAT MC CONE ENJOYS THE HIGHEST REPUTATION AND IS A  
MAN OF UNQUESTIONED INTEGRITY. BRIDGES REMARKED THAT MC CONE  
IS A VIGOROUS INDIVIDUAL AND ENJOYS EXCELLENT HEALTH. HE  
STATED THAT HE KNEW OF NO BUSINESSSS ACTIVITY WHICH COULD BE  
CONSIDERED CONFLICTING WITH ANY GOVERNMENT APPOINTMENT AND HE

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9 AUG 15 1973

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PAGE TWO

SF 161-2206

RECOMMENDED HIM.

OTTO MILLER, CHAIRMAN, BOARD OF DIRECTORS, STANDARD OIL COMPANY, 225 BUSH STREET, SAN FRANCISCO, CALIFORNIA, ADVISES THIS DATE THAT HE AND MC CONE HAVE BEEN CLOSE FRIENDS FOR OVER 30 YEARS AND HAVE BEEN ENGAGED IN BUSINESS MATTERS TOGETHER FOR NEARLY THAT LENGTH OF TIME. HE STATED THAT MC CONE SERVES AS A DIRECTOR OF THE STANDARD OIL COMPANY OF CALIFORNIA AND THROUGH THIS SEES HIM AT LEAST ONCE EVERY MONTH AND USUALLY MORE FREQUENTLY. HE REMARKED THAT MC CONE INSPITE OF HIS YEARS ENJOYS VIGOROUS GOOD HEALTH AND HAS A TREMENDOUS CAPACITY FOR WORK AND UNDERSTANDING. MC CONE STATED THAT HE COULD THINK OF NO OBJECTION WHATEVER TO AN APPOINTMENT OF MC CONE TO ANY POSITION OF TRUST AND CONFIDENCE AND KNEW OF NO POSSIBILITY OF CONFLICT OF INTEREST. HE STATED THAT HIS CHARACTER, MORALS AND LOYALTY ARE ABOVE REPROACH. HE WOULD RECOMMEND HIM MOST HIGHLY.

DAVID PACKARD, CHAIRMAN, BOARD OF DIRECTORS, HEWLETT PARCKARD CORPORATION, ADVISED ON JUNE 28, 1973, HIS ACQUAINTANCE WITH MC CONE HAS BEEN ON A CASUAL BASIS FOR  
END PAGE END PAGE TWO

PAGE THREE

SF 161-2206

15 OR 20 YEARS AND SERVES WITH HIM AS A MEMBER OF THE BOARD OF DIRECTORS OF STANDARD OIL COMPANY OF CALIFORNIA. PACKARD CONSIDERED MC CONE AN EXCELLENT PERSON FOR ANY POSITION FOR WHICH HE MAY BE CONSIDERED AND SAYS THAT HE IS COMPLETELY RESPONSIBLE IN ANY UNDERTAKING, ENTIRELY TRUSTWORTHY, AND HAS NEVER HEARD AN UNFAVORABLE REMARK CONCERNING JOHN MC CONE.

ON 6/28/73, EDGAR F. KAISER, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF KAISER INDUSTRIES, INC., OAKLAND, CALIFORNIA, ADVISED HE HAS BEEN ACQUAINTED WITH JOHN MC CONE, SINCE 1952, WHEN THEY WORKED AT BOULDER DAM TOGETHER. HE STATED THAT SINCE THAT TIME HE HAS HAD NUMEROUS BUSINESS DEALINGS WITH APPOINTEE AND THAT APPOINTEE IS CURRENTLY ON THE BOARD OF DIRECTORS OF HENDY INTERNATIONAL CORPORATION IN LOS ANGELES, CALIFORNIA, AND THIS CORPORATION IS A SUBSIDIARY OF KAISER ALUMINUM AND CHEMICAL. HE ADVISED HE ALSO KNOWS APPOINTEE VERY WELL SOCIALLY AND IN FACT THEY HAVE HOUSES NEXT TO EACH OTHER IN THE BAHAMAS. HE STATED APPOINTEE IS A

END PAGE THREE

PAGE FOUR

SF 161-2206

MAN OF HIGH INTEGRITY AND ENJOYS A VERY GOOD REPUTATION. HE FURTHER DESCRIBED APPOINTEE AS BEING OF HIGH MORAL CHARACTER, CONDUCT, AND LOYAL TO THE COUNTRY. KAISER HIGHLY RECOMMENDS THE APPOINTEE FOR A POSITION OF TRUST AND RESPONSIBILITY WITH THE GOVERNMENT. HE FURTHER STATED THE ONLY ONE IN OAKLAND WHO WOULD REALLY KNOW APPOINTEE OTHER THAN HIMSELF WOULD BE GENE TREFETHEN.

G.E. TREFETHEN, JR., PRESIDENT, KAISER INDUSTRIES CORPORATION, ADVISED HE HAS BEEN CLOSELY ACQUAINTED WITH APPOINTEE BOTH PROFESSIONALLY AND SOCIALLY SINCE THEY WORKED TOGETHER AT BOULDER DAM IN EARLY 1930. HE STATED THAT SUBSEQUENTLY THEY WORKED TOGETHER IN SHIP BUILDING DURING WORLD WAR II AND IN FACT KAISER INDUSTRIES BOUGHT HENDY INTERNATIONAL CORPORATION FROM APPOINTEE AND THE APPOINTEE IS ON THE BOARD OF DIRECTORS OF THIS ORGANIZATION. HE STATED HE HAS ALWAYS FOUND APPOINTEE TO BE A FINE GENTLEMAN OF HIGH INTEGRITY, GOOD MORAL CHARACTER, REPUTATION AND CONDUCT. HE STATED HE CONSIDERS APPOINTEE TO BE A LOYAL AMERICAN AND HIGHLY RECOMMENDS HIM FOR A POSITION OF TRUST AND RESPONSIBILITY WITH THE GOVERNMENT. RUC.

END

HOLD

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

TELETYPE

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
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| Mr. Thompson     | _____ |
| Mr. Walters      | _____ |
| Tele. Room       | _____ |
| Mr. Baise        | _____ |
| Mr. Barnes       | _____ |
| Mr. Bowers       | _____ |
| Mr. Herington    | _____ |
| Mr. Conny        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR001 SE PLAIN

705 PM NITEL 7-2-73 DCB

TO DIRECTOR (161-1709)

FROM SEATTLE (161-119) (RUC) 1P

JOHN ALEX MC CONE, SPECIAL INQUIRY.

RE BUTEL TO WFO, 6-26-73.

DR. CHARLES E. ODEGAARD, RETIRED PRESIDENT, UNIVERSITY OF  
WASHINGTON, MEMBER BOHEMIAN CLUB, SAN FRANCISCO, APPOINTEE  
DESIGNATE, ARMED FORCES MEDICAL ACADEMY, IS SLIGHTLY ACQUAINTED  
WITH MC CONE BY REPUTATION, HAS NO PERSONAL KNOWLEDGE OF HIM,  
HAS NO ADVERSE INFORMATION CONCERNING HIM. RUC.

END

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161-1709-97  
NOT RECORDED

9 AUG 15 1973

170 AUG 23 1973

F B I

Date: 7/2/73

Transmit the following in PLAIN  
(Type in plaintext or code)Via TELETYPE URGENT  
(Priority)

TO: ACTING DIRECTOR, FBI (MAIL), AND LOS ANGELES (161-385)

FROM: SAC, WFO (161-9073)

JOHN ALEX MC CONE

SPI

BUDED 7/3/73, WITHOUT FAIL

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

432859

RE BUTEL TO WFO, 6/26/73.

HOUSE COMMITTEE ON INTERNAL SECURITY (HCIS) FILES  
DISCLOSED MC CONE APPOINTED CHAIRMAN OF GOVERNOR BROWN'S  
COMMITTEE OF INFLUENTIAL RESIDENTS OF LOS ANGELES AREA TO  
INVESTIGATE THE CAUSES OF THE RIOTING IN WATTS, CALIFORNIA, AND  
RECOMMEND ACTION TO PREVENT ITS RECURRENCE. DATE OF THE ABOVE  
APPOINTMENT ABOUT AUGUST 1965.

LA VERIFY ABOVE.

cc:

1 - Bureau (mail)  
1 - WFO  
EWM A-2

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9 AUG 15 1973

70 AUG 23 1973

Approved: Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUL 02 1973

TELETYPE

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
| Mr. Gebhardt     | _____ |
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| Mr. Marshall     | _____ |
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| Mr. Soyars       | _____ |
| Mr. Thompson     | _____ |
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| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR001 SI PLAIN

5:43PM NITEL 7-2-73 SRL

TO: ACTING DIRECTOR

FROM: SPRINGFIELD (161-114) (P)

JOHN ALEX MC CONE, SPIGN BUDED 7-3-73

RE ALEXANDRIA NITEL 6-29-73.

ACQUAINTANCES. ON 6-30-73 ATTEMPTS WERE MADE TO LOCATE  
AND INTERVIEW RETIRED COLONEL LAWRENCE K. WHITE, PIASA-  
CHAUTAUQUA, ELSAH, ILLINOIS, WITH NEGATIVE RESULTS.

ON 7-1-73 JIM WHITE, SON OF RETIRED COLONEL LAWRENCE WHITE,  
ELSAH, ILLINOIS, ADVISED COLONEL WHITE IS VACATIONING IN  
GLACIER NATIONAL PARK, WYOMING, AND IS NOT SCHEDULED TO RETURN  
TO ELSAH, ILLINOIS, UNTIL AROUND 7-4-73. WHITE FURTHER STATED  
THERE ARE NO CONTACT POINTS FOR COLONEL WHITE.

UACB, SPRINGFIELD WILL INTERVIEW COLONEL WHITE UPON HIS  
RETURN TO ELSAH, ILLINOIS, ON OR ABOUT 7-4-73.

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VAE FBIHQ CLR.

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ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

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FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

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| Mr. Felt         | _____ |
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| Mr. Bowers       | _____ |
| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Minz         | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR007 DN PLAIN

7:33 PM NITEL 7/2/73 JSG

TO: ACTING DIRECTOR, FBI

FROM: DENVER (161-215) 2P

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW

432859

JOHN ALEX MC CONE. SPI. BUDED: 7/3/73.

RE ALEXANDRIA TELETYPE 6/29/73.

ON 7/2/73, LT. GEN MARSHALL S. CARTER, RETIRED,  
2520 HILL CIRCLE, COLORADO SPRINGS, COLO., ADVISED HE  
FIRST MET MC CONE DURING 12/61, OR 1/62, WHEN HE WAS  
INTERVIEWED FOR JOB OF DEPUTY DIRECTOR, CIA. CARTER  
APPOINTED AS DEPUTY DIRECTOR, CIA, UNDER MC CONE IN  
3/62, AND SERVED IN THIS POSITION UNDER MC CONE UNTIL  
4/26/65, WHEN MC CONE RESIGNED POSITON.

CARTER STATES HE CONSIDERS MC CONE TO BE OF  
UNIMPEACHABLE CHARACTER AND A MAN OF INTEGRITY. CARTER  
STATES MC CONE'S LOYALTY TO AMERICA IS UNQUESTIONED  
AND STATES HE KNOWS NO DEROGATORY OR UNFAVORABLE  
INFORMATION CONCERNING MC CONE, HIS FAMILY, OR ASSOCIATES.

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7 AUG 23 1973

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Amstrong  
C. J. [unclear]

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DN 161-215

PAGE TWO

CARTER STATES HE WOULD UNEQUIVOCALLY RECOMMEND  
MC CONE FOR ANY POSITION OF TRUST BASED ON MC CONE'S  
PAST PERFORMANCE AND HIS (CARTER'S) ASSOCIATION WITH  
MC CONE.

UACB, NO REPORT BEING SUBMITTED BY DENVER DIVISION.

END TELE

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FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUL 03 1973

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| Mr. Felt         | _____ |
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| Mr. Bowers       | _____ |
| Mr. Herington    | _____ |
| Mr. Conny        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mr. Hogan        | _____ |

NR 043 LA PLAIN

10:47 PM NITEL 7/2/73 RWM

TO ACTING DIRECTOR (161-1709)

FROM LOS ANGELES (161-385) (RUC) 3P.

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED 7/3/73 WITHOUT FAIL.

RE LOS ANGELES TEL TO THE BUREAU 6/29/73, AND WASHINGTON  
FIELD TEL TO BUREAU 7/2/73.

BUSINESS AND SOCIAL ACQUAINTANCES.

LEONARD K. FIRESTONE, P.O. BOX 445, PEBBLE BEACH, CALIFORNIA,  
FORMER PRESIDENT OF FIRESTONE TIRE AND RUBBER COMPANY OF CALIFORNIA,  
CURRENTLY DIRECTOR OF THAT COMPANY, ADVISED ON 6/29/73, THAT HE  
HAS KNOWN APPOINTEE SOCIALLY AND PROFESSIONALLY FOR ABOUT 15 YEARS.  
THEY HAVE SERVED TOGETHER ON SEVERAL CIVIC PROJECTS AND COMMITTEES  
AND THEY SEE EACH OTHER OFTEN AS SOCIAL FRIENDS. FIRESTONE SAID HE  
HAS THE HIGHEST REGARD FOR APPOINTEE'S HONESTY, INTEGRITY, CHARACTER,  
REPUTATION AND BUSINESS ETHICS. DESCRIBED HIM AS A VERY INTELLIGENT,  
ABLE AND CONSCIENTIOUS ADMINISTRATOR. LOYALTY TO THE U.S. IS UN-  
QUESTIONED AND RECOMMENDED HIM HIGHLY.

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9 AUG 15 1973

70 AUG 23 1973

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LA 161-385

PAGE TWO

ON 6/29/73, MONT E. MC MILLEN, 86 EMERALD BAY, LAGUNA BEACH, CALIFORNIA, RETIRED, FORMER CHAIRMAN OF THE BOARD OF WESTERN BANCORP, ADVISED HE MET APPOINTEE IN 1961 WHEN APPOINTEE JOINED THE BOARD OF DIRECTORS OF WESTERN BANCORP. THEIR ASSOCIATION, WHICH IS PRIMARILY OF A BUSINESS NATURE, HAS CONTINUED TO THE PRESENT TIME. MC MILLEN SAID APPOINTEE IS EMINENTLY QUALIFIED FOR ANY HIGH LEVEL POSITION IN TERMS OF HIS CHARACTER, CONDUCT, REPUTATION AND ABILITY. APPOINTEE IS EXTREMELY WELL REGARDED IN THE BUSINESS AND SOCIAL COMMUNITY AND NO SCANDAL OR NOTORIETY HAS EVER BEEN CONNECTED WITH HIM. LOYALTY IS UNQUESTIONED AND HIGHLY RECOMMENDS.

ON 7/2/73, EDMUND G. "PAT" BROWN, PARTNER IN BALL, HUNT, HART, BROWN AND BAERWITZ, ATTORNEYS, 450 NORTH ROXBURY DRIVE, BEVERLY HILLS, CALIFORNIA, FORMER GOVERNOR OF CALIFORNIA, ADVISED HE MET APPOINTEE IN 1958 WHEN HE BECAME GOVERNOR. HE SAW APPOINTEE ON A NUMBER OF OCCASIONS FROM THAT TIME UNTIL 1965 WHEN HE APPOINTED MC CONE AS THE HEAD OF A COMMISSION TO INVESTIGATE THE WATTS RIOTS WHICH OCCURRED IN LOS ANGELES THAT YEAR. MC CONE DID A VERY THOROUGH, CONSCIENTIOUS AND EXCELLENT JOB AS HEAD OF THE COMMISSION AND BROWN WAS SATISFIED WITH THE RESULTS. HE HAS HAD NO CONTACT WITH MC CONE SINCE THEN. BROWN SAID HE APPOINTED MC CONE TO THE

END PAGE TWO

LA 161-385

PAGE THREE

COMMISSION BECAUSE OF MC CONE'S REPUTATION AS A BUSINESSMAN, DIRECTOR OF THE ATOMIC ENERGY COMMISSION AND THE CENTRAL INTELLIGENCE AGENCY. HE HAS HIGHEST REGARD FOR MC CONE'S CHARACTER, INTEGRITY, REPUTATION AND RECOMMENDS HIM HIGHLY FOR ANY POSITION OF TRUST.

ON 7/2/73 CARDINAL TIMOTHY MANNING, ARCHBISHOP OF LOS ANGELES DIOCESE, 1531 WEST NINTH STREET, LOS ANGELES, ADVISED HE MET MC CONE OVER 25 YEARS AGO AND HAS KNOWN HIM SINCE THAT TIME AS AN ACTIVE MEMBER OF THE CHURCH AND A HIGHLY REGARDED BUSINESS MAN. HE IS A MAN OF TREMENDOUS INTEGRITY AND NOTHING OF AN UNFAVORABLE NATURE CONCERNING HIM HAS EVER COME TO MANNING'S ATTENTION. MANNING COMMENTED FAVORABLY CONCERNING THE APPOINTEE'S WORK IN CHURCH AND ON VARIOUS BUSINESS SERVICE COMMITTEES AND SAID HE COULD RECOMMEND HIM WITHOUT QUESTION FOR ANY HIGH POSITION OF TRUST IN THE GOVERNMENT.

MISCELLANEOUS.

RECORDS OF THE LIEN DESKS, INTERNAL REVENUE SERVICE, 300 NORTH LOS ANGELES STREET AND CALIFORNIA STATE FRANCHISE TAX BOARD, 3325 WILSHIRE BOULEVARD, BOTH LOS ANGELES, REVIEWED ON 6/29/73 CONTAINED NO INFORMATION CONCERNING APPOINTEE OR WIFE.

NO REPORT BEING SUBMITTED - UACB. //

END

HOLD

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUL 03 1973

TELETYPE

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| Mr. Felt         | _____ |
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| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR10 NY PLAIN

737PM NITEL 7/3/73 RRP

TO ACTING DIRECTOR  
FROM NEW YORK 161-799

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DEW

432859

JOHN ALEX<sup>0</sup> MC CONE, SPECIAL INQUIRY, BUDED JULY  
THREE, SEVENTY THREE.

RE NEW YORK AIRTEL, JUNE TWENTY EIGHT, LAST, AND  
CLEVELAND TELETYPE, JUNE TWENTY EIGHT, LAST.

ON JUNE TWENTY NINE, LAST, GENERAL LAURIS J. NORSTAD,  
PRESIDENT, OWENS CORNING FIBERGLASS CORPORATION, SEVEN ONE  
SEVEN FIFTH AVENUE, NEW YORK, NEW YORK, WHO HAS KNOWN APPOINTEE  
SOCIALY AND PROFESSIONALLY SINCE FORTY SIX, ADVISED HE WORKED  
CLOSELY WITH APPOINTEE ONE AND ONE HALF YEARS AND CONTINUES TO  
SEE HIM THREE OR FOUR TIMES A YEAR. STATED APPOINTEE OF HIGHEST  
POSSIBLE CHARACTER AND ETHICAL STANDARDS, OF UNQUESTIONABLE  
REPUTATION, OF HIGHEST INTEGRITY, VERY COMPETENT ADMINISTRATOR  
AND ABSOLUTELY NO QUESTION OF ASSOCIATES OR LOYALTY. APPOINTEE  
KNOWS MANY PEOPLE IN CURRENT ADMINISTRATION. NORSTAD AWARE  
APPOINTEE TESTIFIED BEFORE SENATE COMMITTEE CONCERNING IT  
BUT ONLY KNOWLEDGE OBTAINED FROM NEWS MEDIA.

END PAGE ONE

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70 AUG 23 1973

161-1709-102  
NOT RECORDED

9 AUG 15 1973

9-2

PAGE TWO

NORSTAD KNOWS OF NO CONFLICT OF INTEREST AND WOULD BE SURE APPOINTEE WOULD NOT ACCEPT A POSITION IF THERE WAS ANYTHING IN HIS BACKGROUND QUESTIONABLE. NORSTAD HIGHLY RECOMMENDS.

ON JULY TWO, LAST, JUAN TRIPPE, HONORARY CHAIRMAN OF THE BOARD, PAN AMERICAN WORLD AIRWAYS, PAN AM BUILDING, NEW YORK, NEW YORK, ADVISED APPOINTEE PERSONAL FRIEND KNOWN GREAT MANY YEARS. ASSOCIATION STRICTLY SOCIAL. DESCRIBED APPOINTEE AS CAPABLE, CONSERVATIVE, GOOD ADMINISTRATOR OF UNQUESTIONABLE CHARACTER, REPUTATION, ASSOCIATES AND LOYALTY. HIGHLY RECOMMENDS. ADDED APPOINTEE'S WIFE CHARMING WOMAN, FORMERLY A WIDOW.

ON JULY TWO, LAST, JOHN J. NAVIN, VICE PRESIDENT AND CORPORATE SECRETARY, ITT CORPORATION, THREE TWO ZERO PARK AVENUE NEW YORK, NEW YORK, ADVISED ONLY ASSOCIATION WITH APPOINTEE AT CORPORATED FUNCTIONS AND MEETINGS. ADDED APPOINTEE TESTIFIED BEFORE SENATE COMMITTEE DURING HEARINGS CONCERNING COMPANY AND ALL INFORMATION CONCERNING APPOINTEE MATTER OF PUBLIC RECORD. APPOINTEE NEVER ACTED IN ANY WAY AS TO CAUSE EMBARRASSMENT TO SELF OR ADMINISTRATION IN THE EVENT OF APPOINTMENT. NAVIN RECOMMENDS.

RUC.

END

F B I

Date: 7/3/73

Transmit the following in PLAIN  
(Type in plaintext or code)Via TELETYPE URGENT  
(Priority)

TO: ACTING DIRECTOR, FBI (MAIL) &amp; KANSAS CITY, LOS ANGELES

FROM: SAC, WFO (161-9073)

JOHN ALEX MC CONE

SPI

BUDED 7/3/73, WITHOUT FAIL

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DPW

D 432859

REIBU TEL TO WFO, 6/26/73. NO COPY KANSAS CITY.

WHITE HOUSE HAS REQUESTED VERY EXPEDITE INVESTIGATION  
MC CONE WHO IS BEING CONSIDERED FOR PRESIDENTIAL APPOINTMENT,  
POSITION NOT STATED. BORN 1/2/02, SAN FRANCISCO, CALIFORNIA,  
AND RESIDES 1100 OAK GROVE AVENUE, SAN MARINO, CALIFORNIA. ALSO,  
MAINTAINS RESIDENCE AT THE HIGHLANDS, SEATTLE, WASHINGTON,  
APPOINTED FORMER DIRECTOR, CIA, 1961 TO 1965; AND FORMER  
CHAIRMAN, AEC, 1958 TO 1961. SINCE 1965 APPOINTEE HAS BEEN  
ASSOCIATED WITH HENDY INTERNATIONAL CORPORATION, LOS ANGELES.

WFO HAS DETERMINED SENATOR, JOHN V. TUNNEY AND SENATOR,  
STUART SYMINGTON HAVE RETURNED TO THEIR RESIDENCES AND WILL NOT

NOT RECORDED

9 AUG 15 1973

CC

① - BUREAU (Mail)

1 - WFO

EWM A-2

Approved

Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

F B I

Date:

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)Via \_\_\_\_\_  
(Priority)

PAGE TWO

RETURN WDC UNTIL THE WEEK OF 7/10/73. FULL ITINERARY KNOWN  
TO THEIR DISTRICT OFFICES.

KANSAS CITY INTERVIEW SENATOR SYMINGTON IN CARE OF  
US COURT HOUSE, KANSAS CITY.

LOS ANGELES INTERVIEW SENATOR TUNNEY IN CARE OF  
11000 WILSHIRE BLVD., LOS ANGELES.

DUE TO URGENT NATURE OF REQUEST, IT IS IMPERATIVE  
BUDED BE MET WITHOUT FAIL. NO DELAY TOLERATED. SPIN.  
P.

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUL 03 1973  
TELETYPE

NR 006 KC PLAIN

230 PM URGENT 7-3-73 ECB

TO ACTING DIRECTOR, FBI

WFO (161-973)

FROM KANSAS CITY (161-136) RUC IP

JOHN ALEX MC CONE, SPECIAL INQUIRY, BUDED 7-3-73, WITHOUT FAIL.

RE WASHINGTON FIELD TELETYPE, 7-3-73 TO KANSAS CITY AND  
LOS ANGELES.

STANLEY A. FIKE, ADMINISTRATIVE ASSISTANT TO SENATOR  
STUART SYMINGTON, ON 7-3-73, FROM HIS OFFICE, WASHINGTON,  
D.C., TELEPHONICALLY ADVISED THAT SENATOR SYMINGTON IS  
PRESENTLY IN WASHINGTON, D.C., AND DOES NOT PLAN TO RETURN  
TO MISSOURI THIS WEEK. WASHINGTON FIELD HANDLE INTERVIEW  
WITH SENATOR SYMINGTON.

RUC.

END.

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DKS FBI HQ CLR

ALL INFORMATION CONTAINED  
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DATE 3-22-02 BY SP4BJA/DFW  
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70 AUG 23 1973

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| Mr. Conmy        | _____ |
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| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

Mr. Callahan  
1246

Amended  
C. J. [Signature]

C

161-1709-104  
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9 AUG 15 1973

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F B I

Date:

7/3/73

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)

AIRTEL

Via \_\_\_\_\_  
(Priority)

TO: ACTING DIRECTOR, FBI

FROM: SAC, WFO (161-9073) (P)

JOHN ALEX MC CONE  
SPI  
Buded: 7/3/73

Re Butel, 6/26/73, Seattle tel 6/26/73, LA tel  
6/27/73, WFO tels 7/2 and 7/3/73, Alexandria tel 6/29/73.

The following investigation was conducted by  
SA ERNEST W. MINTON unless noted otherwise.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW  
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①-Bureau  
1-WFO  
EWM:clm  
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9 AUG 15 1973

Approved: 70 AUG 23 1973

Special Agent in Charge

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Per \_\_\_\_\_

WFO 161-9073

RPC:sjs

1

White House Office (WHO)

The following investigation was conducted by SA  
ROBERT P. CRONIN on June 29, 1973:

A search of the records of the Personnel Office,  
WHO, revealed no information concerning JOHN ALEX MCCONE.

A search of the files of the Records Office, WHO,  
revealed the following information concerning MCCONE:

- 9/27/47 Presidential appointment to be member of Air Policy Commission.
- 6/12/50 Presidential appointment to position of Undersecretary of the Air Force.
- 2/29/56 Appointed by the President as a special representative in the observance of the 80th birthday of Pope Pius XII.
- 7/11/58 Appointed by the President to be a member of the Atomic Energy Commission for a term of five years expiring June 30, 1963.
- 9/19/58 Presidential appointment as representative of the USA at the Second Session of the General Conference of the International Atomic Energy Agency.
- 9/2/59 Presidential appointment to be representative of the USA to the Third Session of the General Conference of the International Atomic Energy Agency.
- 9/12/60 Presidential appointment to be representative of the USA at the Fourth Session of the General Conference of the International Atomic Energy Agency.
- 2/1/62 Appointed by the President to be Director of the Central Intelligence Agency.

WFO 161-9073

RPC:sjs

2

4/3/64 Appointed by the President to be member of the President's Advisory Committee on Supersonic Transport.

7/7/66 Appointed as a member of the National Advisory Committee on Selective Service.

9/30/71

2/4/72

Nominated by the President to be a member of the General Advisory Committee of the United States Arms Control and Disarmament Agency. In both cases records indicate the appointee was not confirmed.

The files contained no additional pertinent information.

3

THE UNITED STATES ATOMIC ENERGY COMMISSION (USAEC)

On July 2, 1973, Special Agent PETER P. OSINSKI conducted the following investigation at the United States Atomic Energy Commission (USAEC), Germantown, Maryland.

WILLIAM L. OAKLEY, Executive Assistant Director for Peaceful Nuclear Explosives, Division of Applied Psychology, advised that he has known the appointee, JOHN ALEX MCCONE, since 1958 and primarily in the professional capacity. Mr. OAKLEY explained that he served on the staff of the appointee from 1958 to January 20, 1961, while the appointee was the Chairman of the USAEC. He had little contact with the appointee after the appointee transferred to Central Intelligence Agency (CIA), and had no contact with the appointee in the last few years. He regards the appointee as an outstanding and skillful Management Administrator. As Chairman of the USAEC, he observed him to be effective in directing the USAEC and setting the policies for USAEC. He regards him as an able and knowledgeable person. Personally, he considers the character, associates, reputation, and loyalty of the appointee to be above question. He is a man of mature judgement and who has served his country skillfully in setting governmental policies. He has no reservations regarding the appointee either personally or professionally and highly endorsed him for employment in the United States Government in a position of trust and responsibility.

ROBERT P. HOLLINGSWORTH, General Manager USAEC, advised that he has known the appointee since 1958, and primarily in a professional capacity. He was closely associated with the appointee from 1958 to 1961 during the appointee's ten year tenure of service as the Chairman of the USAEC. Mr. HOLLINGSWORTH, who was the Deputy General Manager during this period, also had some contacts with the appointee while he was Director of the CIA and had about two meetings with him on business matters during the last two years. In his judgement, the

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WFO 161-9073

PPO:lb

2

appointee is a man of outstanding ability, and from his observations he considers him to be very effective and forceful as an USAEC Chairman. He regards him as a top-notch industrialist and also as a Governmental Administrator. It is the opinion that Mr. MCCONE is a man of the highest personal integrity, and one who has rendered dedicated service to his country over the years. He regards the character, associates, reputation and loyalty of the appointee to be above reproach. He has no reservations regarding the appointee either personally or professionally and highly endorsed him for employment in the United States Government in a position of trust and responsibility.

5

WFO 161-9073

RTT:lsh

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The following investigation was conducted by SA RICHARD T. TAYLOR, JR. on July 2, 1973:

Senator HENRY JACKSON (Washington) has known the appointee, JOHN ALEX MC CONE, on a personal and professional basis for more than ten years. He describes his former service as Director of the Central Intelligence Agency and as Commissioner of the Atomic Energy Commission as being marked by excellence and the highest degree of public service. He has traveled extensively in the company of the appointee and views his judgments with regard to political and professional matters as being reasonable and in the best interest of the United States. He has no question concerning the appointee's character, associates, reputation and loyalty. He recommends him to any post to which President NIXON may care to appoint him.

Senator WARREN G. MAGNUSON (Washington) has known the appointee on a personal and professional basis for approximately 15 years. He has no question concerning his character, associates, reputation and loyalty. He recommends him to any post to which President NIXON may care to appoint him.

On June 29, 1973, United States Senator, ALAN CRANSTON, California, advised SA MAURICE G. AUSTIN, the appointee, JOHN ALEX MC CONE is known to him and does not know of anything of a derogatory nature regarding his character, associates, loyalty and reputation and would have no objection to the appointee having a position of trust and confidence.

WFO 161-9073

EWM:mrh

1

CHARLES J. V. MURPHY, Retired Writer, Time and Fortune Magazine, advised that he has known the appointee since 1943 and served in the U.S. Air Force with McCONE. MURPHY was a Colonel in the Air Force and the appointee was Undersecretary. Since that period of time MURPHY has regarded himself as being a close friend of the appointee's and has had little professional association with him since World War II. He said that McCONE was a very able, resourceful and competent individual who has all the qualities of an Administrator. He is intelligent and can readily make important decisions.

MURPHY related that the appointee is definitely a person of complete integrity, reputation and loyalty. He is highly regarded for his contributions in the business world and for the commendable service as Director of the CIA and as Chairman of the Atomic Energy Commission.

MURPHY was a friend of the appointee's first wife who died unexpectedly of heart failure in Los Angeles, California in or about 1961. McCONE later married THEILINE PIGOTT, Widow of PAUL PIGOTT who died of cancer. He said that he has high regard for both of the appointee's wives and indicated there was never any scandal with his marriages. The appointee had no children by his first marriage and had no children of his own with his second wife. He said that the appointee's second wife had several children and most of these children are grown.

MURPHY related that he could think of no one more qualified to handle a responsible and intricate Federal position than the appointee. He recommended McCONE wholeheartedly in a responsible Federal position.

WFO 161-9073

EWM:mrh

1

CREDIT AND POLICE AGENCIES

SA CHARLES W. SMITH caused a search to be made of the files of The Credit Bureau, Incorporated, Washington, D.C., and was advised on June 28, 1973, that the files contained no record for the appointee.

On June 28, 1973, WILLIAM H. LYERLY, JR. searched the files of the U.S. Park Police and no identifiable record could be found concerning the appointee or his wife, THEILINE PIGOTT McCONE.

SC JOHN PAUL WILLIAMMEE determined on June 28, 1973, that no record was contained in the Metropolitan Police Department files concerning the appointee or his wife, THEILINE PIGOTT McCONE.

It is to be noted that at all times an indefinite number of unidentified records are out of file and not available for review.

WFO 161-9073

EWM:mrh

1

MISCELLANEOUS

On 6/29/73, the records of the District of Columbia Marriage Bureau were checked by SC ROSE L. KEELEY and no record of marriage could be found for JOHN ALEX McCONE and THEILINE PIGOTT.

On 6/28/73, SC MYRA C. MILLER caused a search to be made of the files of the House Committee on Internal Security and nothing of a derogatory nature was on file for the appointee. Records did show, however, that McCONE was Chairman of California Governor BROWN's Commission to investigate the Cause and Further Prevention of Rioting in Watts, California.

On 7/2/73, SC ALICE N. MUNZER caused a search to be made of the files of the United States Secret Service, Department of Treasury and was advised that no record was on file for the appointee.

WFO 161-9073

EWM:clm

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Secretary to Newspaper Columnist JOSEPH ALSOP advised ALSOP on vacation until July 16, 1973 and unavailable for interview. Also, SHERMAN KENT, 2824 Chain Bridge Road, N.W., Washington, D.C. not located. Neighbors had no knowledge of KENT. Secretary of State WILLIAM ROGERS currently out of country and will not return for about three weeks. No further attempts being made to locate and interview the above individuals. UACB.

WFO WILL INTERVIEW SENATOR  
SYMINGTON upon his return, 7/5/73.  
WILL report CSC, IRS

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUL 31 1973  
TELETYPE

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| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
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| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR 014 LA PLAIN

923PM NITEL 7-3-73 MAH

TO ACTING DIRECTOR

FROM LOS ANGELES (161-9073) (P) 1P

JOHN ALEX MC CONE, SPIN, BUDED 7-3-73, WITHOUT FAIL.

RE WASHINGTON FIELD OFFICE TEL TO THE BUREAU 7-3-73.

PETER J. FEAREY, FIELD REPRESENTATIVE TO SENATOR  
JOHN B. TUNNEY, 11000 WILSHIRE BOULEVARD, LOS ANGELES,  
CALIFORNIA, ADVISED SENATOR TUNNEY IS CURRENTLY ON VACATION  
AND IN TRAVEL STATUS AND HIS OFFICE WILL BE UNABLE TO CONTACT  
HIM UNTIL 7-9-73.

LOS ANGELES WILL CONTACT SENATOR TUNNEY CONCERNING  
APPOINTEE ON 7-9-73.

END

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
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161-1709-106  
NOT RECORDED

9 AUG 15 1973

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70 AUG 23 1973

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

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| Mr. Conny        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR 021 BS PLAIN

11:11 PM NITEL 7-5-73 DAD

TO: ACTING DIRECTOR

FROM: BOSTON 161-669 RUC

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

II 432859

JOHN ALEX MCCONE, SPIN, BUDED 7-3-73.

RE ALEXANDRIA NITEL 6-29-73.

LYMAN B. KIRKPATRICK, ANAWAN CLIFFS DRIVE, NARRAGANSETT, RHODE ISLAND, WAS CONTACTED ON 7-5-73 AND ADVISED THAT HE KNEW THE APPOINTEE WELL FOR THE PERIOD OF NOVEMBER 1961 THROUGH APRIL 1965 WHILE THE APPOINTEE WAS DIRECTOR OF THE CENTRAL INTELLIGENCE AGENCY (CIA) AND KIRKPATRICK WAS THE EXECUTIVE DIRECTOR. KIRKPATRICK FURTHER ADVISED THAT HE KNEW THE APPOINTEE BOTH SOCIALLY AND PROFESSIONALLY AND THE APPOINTEE WAS ONE OF THE BEST DIRECTORS THAT CIA HAD. KIRKPATRICK STATED HE DID NOT KNOW THE APPOINTEE BEFORE THE APPOINTEE CAME TO THE CIA AND HAS NOT MAINTAINED CONTACT WITH THE APPOINTEE SINCE THE APPOINTEE HAD RESIGNED FROM THE CIA. KIRKPATRICK STATED THE APPOINTEE'S CHARACTER WAS A MAN OF UNIMPEACHABLE REPUTATION AND AN EXTREMELY COMPETENT ADMINISTRATOR. KIRKPATRICK

END PAGE ONE

MR. COLEMAN  
RM 1246

*[Handwritten signatures and initials]*

*[Handwritten letter 'C']*

161-1709-107

NOT RECORDED

9 AUG 15 1973

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364  
180 AUG 23 1973

*[Handwritten signature]*

BS 161-669

PAGE TWO

NEVER KNEW OF ANY DEROGATORY INFORMATION WITH REFERENCE TO THE APPOINTEE AND ADVISED THAT HE HAS NO REASON WHATSOEVER TO QUESTION THE APPOINTEE'S LOYALTY, INTEGRITY, OR CHARACTER. KIRKPATRICK HIGHLY RECOMMENDS APPOINTEE WITHOUT ANY RESERVATION FOR A POSITION WITH THE FEDERAL GOVERNMENT AND ADVISED THAT IN HIS OPINION, THE FEDERAL GOVERNMENT WOULD BE EXTREMELY LUCKY TO OBTAIN THE SERVICE OF A MAN WITH THE APPOINTEE'S ABILITY AND CHARACTER.

END.

HOLD

CLXX CKG FBI HQ

ACK FOR SIX

F B I

Date: 7/5/73

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)Via Airtel \_\_\_\_\_  
(Priority)

TO: ACTING DIRECTOR, FBI

FROM: SAC, WFO (161-9073) (P)

JOHN ALEX<sup>O</sup> MC CONE

SPI

BUDED 7/3/73

Re WFO airtel, 7/3/73.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIEDDATE 3-22-02 BY SP4BJA/DFW  
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9 AUG 15 1973

CC:

1 - Bureau

1 - WFO.

EWM

A-2

Approved: 364  
20 AUG 23 1973  
M  
EWM

Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

WFO 161-9073

EWM:sls

1

Mr. BRONSON TWEEDY, 5310 Woodlawn Avenue, Kenwood, Maryland, retired, advised Special Agent ALLAN A. ANDERSON on July 3, 1973, that he was formerly Deputy to the Director for the Intelligence Community, Central Intelligence Agency. He stated that he first became acquainted with the appointee, JOHN ALEX MC CONE when he became Director of the Central Intelligence Agency in 1961. He served under the appointee at the Central Intelligence Agency during the period 1961-1965. He considers the appointee to be a stable, polite, personable, neat, intelligent, aggressive, strong-minded, capable, experienced individual whose character, associates, reputation and loyalty are beyond reproach. He has socialized occasionally with the appointee over the years and he has always been pleasant company. He met the appointee's wife, THEILINE MC CONE on a number of occasions and found her to be a charming woman. To his knowledge the appointee does not partake of intoxicants to excess. To his knowledge the appointee is in excellent health. He recommended him without hesitation for a position of trust and confidence with the United States Government.

WFO 161-9073

MGA:mmd

1

The following investigation was conducted by SA MAURICE G. AUSTIN on 7/3/73:

STANLEY FIKE, Administrative Assistant to United States Senator STEWART SYMINGTON, Missouri, advised the Senator is unavailable, and he is authorized to speak for him regarding the appointee, JOHN ALEX MC CONE. The appointee is very well known personally to the Senator as a friend who he has known for many years. Senator SYMINGTON first brought the appointee into the Government when he was the Secretary of the Air Force and the appointee served under him as the Assistant Secretary of the Air Force. Senator SYMINGTON thinks very highly of the appointee and recommends him for a position of trust and confidence.

MARY H. SQUIRES, Legislative Assistant to United States Senator WALLACE F. BENNETT, Utah, advised Senator BENNETT is hospitalized and unavailable and she is authorized to speak for him regarding the appointee. The Senator comments to be the same as given in the previous investigation. He continues to think highly of the appointee, and he recommends him for a position of trust and confidence.

WFO 161-9073

EWM:sls

1

MISCELLANEOUS

On July 2, 1973, SA PETER P. OSINSKI determined that the following record concerning the appointee was obtained in the Personnel Security Files, division of Security, United States Atomic Energy Commission, Germantown, Maryland.

Security file WA 17925 disclosed that:

February 10, 1961

The "Q" clearance for JOHN ALEX MCCONE was extended to CIA.

The "Q" clearance continues active, for the appointee as a member of the CIA Nuclear Intelligence Panel.

The file contained no additional pertinent information.

WFO: CSC, IRS

4\*

F B I

Date: 7/5/73

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)Via Airtel \_\_\_\_\_  
(Priority)

TO: ACTING DIRECTOR, FBI

FROM: SAC, WFO (161-9073) (P)

JOHN ALEX MC CONE  
SPI  
BUDED 7/3/73

Re WFO airtel, 7/3/73, and 7/5/73.

On July 5, 1973, SA ALICE N. MULZER caused a search to be made of the files of the Bureau of Personnel Investigations, Civil Service Commission and was advised that no record was on file for the appointee.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW  
11432859

cc:

① - Bureau  
1 - WFO  
EWM A-2

161-1709-109  
NOT RECORDED  
9 AUG 15 1973

Approved: 364 M  
Special Agent in ChargeSent \_\_\_\_\_ M Per g-f

161-9073

RTT:law

1

The following investigation was conducted by  
SA RICHARD T. TAYLOR, JR. on July 3, 1973:

JOHN O. PASTORE (Rhode Island), Vice-Chairman, Joint Committee on Atomic Energy, advised he has known the appointee, JOHN ALEX MC CONE, for more than ten years on a personal and professional basis. He had frequent contact with him during the appointee's former service as Director of the Central Intelligence Agency and during the period of his service as a Commissioner of the Atomic Energy Commission. He has travelled extensively with him and participated with him in various international energy conferences. He views him as a highly intelligent and patriotic person who is worthy of continued public service. He endorses him to any position to which President NIXON may care to appoint him. He knows of no unfavorable information concerning the appointee's morals, mannerisms, reputation, or associates.

GEORGE F. MURPHY, JR., Deputy Director, Joint Committee on Atomic Energy and a former employee of the Central Intelligence Agency, has known the appointee on a personal and professional basis for ten or more years. He also has been in his company in attendance at various international energy conferences both in the United States and abroad. He describes him as a dedicated sincere and patriotic citizen. He knows of no information which would cause him to question the appointee's character, associates, reputation and loyalty. He endorses him without question to a position of trust and responsibility in the United States Government.

JAMES A. MC KENNA, Executive Secretary to Senator PASTORE, has known the appointee on a personal and professional basis for ten or more years, as a result of the appointee's frequent contact with Senator PASTORE. His personal contact with him as well as his observation of the appointee convinces Mr. MC KENNA the appointee is a loyal American of good character, reputation, and associates. He recommends him to a position of trust and responsibility in the United States Government.

WFO: IRS

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

TELETYPE

|                  |       |
|------------------|-------|
| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
| Mr. Gebhardt     | _____ |
| Mr. Jenkins      | _____ |
| Mr. Marshall     | _____ |
| Mr. Miller, E.S. | _____ |
| Mr. Soyars       | _____ |
| Mr. Thompson     | _____ |
| Mr. Walters      | _____ |
| Tele. Room       | _____ |
| Mr. Baise        | _____ |
| Mr. Barnes       | _____ |
| Mr. Bowers       | _____ |
| Mr. Ferington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Galtz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

NR006 SI PLAIN

5:57 PM NITEL 7-6-73 BRC

TO ACTING DIRECTOR

FROM SPRINGFIELD (161-114) 1P

JOHN ALEX MC CONE. SPIN.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DEW

1432859

RE SPRINGFIELD NITEL TO THE BUREAU 7-2-73.

ACQUAINTANCES. ON 7-6-73 COLONEL LAWRENCE K. WHITE (RETIRED), FORMER EXECUTIVE DIRECTOR, CIA, PIASA-CHAUTAUQUA, ELSAH, ILLINOIS, ADVISED HE KNEW JOHN ALEX MC CONE WHILE MC CONE WAS CIA DIRECTOR FROM 1961 THROUGH 1965. WHITE STATED HE WAS DEPUTY DIRECTOR IN CHARGE OF SUPPORT WHILE MC CONE WAS DIRECTOR OF THE CIA. WHITE DESCRIBED MC CONE AS A HIGHLY EFFECTIVE EXECUTIVE WHO WAS CAPABLE OF OBTAINING PRODUCTIVE RESULTS. WHITE STATED HE KNEW OF NO DEROGATORY INFORMATION CONCERNING MC CONE AND FURTHER STATED HE KNEW OF NO FINANCIAL DIFFICULTIES OF MC CONE.

UACB, NO REPORT BEING SUBMITTED. RUC.

END

cc destroyed

70 AUG 23 1973

161-1709-110  
NOT RECORDED

AUG 15 1973

9-8

F B I

Date: 7/6/73

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)Via AIRTEL \_\_\_\_\_  
(Priority)

TO: ACTING DIRECTOR, FBI (161-1709)

FROM: SAC, ALEXANDRIA (161-2146) (RUC)

JOHN ALEX MC CONE  
SPI

BUDED: 7/3/73

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFJ  
432859Re Bureau teletype, 6/26/73; LA teletype to the  
Bureau, 6/27/73; AX teletype, 6/29/73.The following investigation was conducted by  
SA EDWARD C. RUDIGER:

b3 per CIA

A review of the CIA Security File material of the  
appointee and his spouse, THEILINE PIGOTT, was conducted by[redacted]  
CIA, McLean, Virginia, on 7/3/73, in the presence of SA RUDIGER  
and Mr. KUHN advised that no derogatory information was located.[redacted], CIA, McLean,  
Virginia, advised on 7/2/73, that JOHN ALEX MC CONE was orig-  
inally associated with that agency on 10/13/61 as a Consultant  
in the Office of the Director of Central Intelligence, at a  
pay scale of \$50.00 per consultation, and he remained in that  
capacity until 11/29/61. As of 12:00 noon that same day,  
11/29/61, [redacted] advised that her records revealed MC CONE  
received a Presidential appointment as the Director of CIA  
and served as such until 4/28/65 when he retired under the  
Optional Provisions of the Civil Service Retirement Act.  
There was nothing adverse noted in MC CONE's personnel file.ASSOCIATES

b3 per CIA

① Bureau  
1- Alexandria  
ECR:jcr  
(2)161-1709-111  
NOT RECORDED

17 JUL 6 1973

Approved: 30 AUG 1973  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

U.S. Government Printing Office: 1972-455-574

[ ] CIA, McLean, Virginia, on 7/2/73, advised that he was associated with JOHN MC CONE during MC CONE's whole tenure as CIA Director. [ ] said he has never met a man in Government who was more honest than the appointee when he dealt directly with the President, members of the Cabinet or in his appearances before the Congress. He said MC CONE was a man of absolute integrity whose intelligence and dependability were unequalled in anyone he, [ ] has ever met. He said during his period of associating with the appointee, he developed genuine respect and admiration of Mr. MC CONE as a conscientious Government official who was a resourceful Government manager and a scrupulously honest individual in dealing with Government funds. [ ] said there can be no doubt the appointee is one of the country's most loyal Americans and a person whose associates reflect the high stature of the appointee himself. [ ] advised that he was not well acquainted with the appointee's family; however, he had met Mrs. MC CONE at several social functions and found her to be a gracious, outgoing person. He added that he would readily recommend JOHN MC CONE without any qualms for any position with the U.S. Government.

b3 per CIA

On 7/2/73, [ ] CIA, McLean, Virginia, advised he first met JOHN MC CONE in approximately June, 1961, and served under him as [ ] while he, MC CONE, was CIA Director. [ ] related that MC CONE was an exacting taskmaster as a superior and an individual of very rare intelligence and integrity. According to [ ] anyone who ever worked with JOHN MC CONE would have to respect him as a person of unusual character and dedication to his country. In attesting to the appointee's traits of character, [ ] said he recalled the appointee to be aptly described by a colleague when this individual said that he had never heard JOHN MC CONE utter a foolish word. He noted that in his personal opinion when the appointee retired as CIA Director in 1965, it was an exceptional loss of a capable and dedicated public servant by the U.S. Government. [ ] advised that although he had been in numerous social situations where he met the appointee's spouse, he was not really well acquainted with her or other members of the appointee's family. He did say that to the best of his knowledge they were fine outstanding people and loyal Americans. In conclusion, [ ] said that in all the years he has known the appointee there has never been any doubt as to Mr. MC CONE's devotion and loyalty to

AX 161-2146

the U.S. Government, his integrity or his type or choice of associates. He added that Mr. MC CONE has an unblemished reputation and he would proudly recommend the appointee for any position of trust and confidence for which he might be chosen.

b3 per CIA

On 7/2/73, [redacted]  
[redacted] McLean, Virginia, advised that he has known JOHN MC CONE since 11/29/61, when MC CONE was appointed as director of that agency. [redacted] stated that on 5/3/62 he became the appointee's [redacted] at CIA and has been associated with him off and on ever since. He described MC CONE as an extremely intelligent, energetic, loyal and dedicated American. He said MC CONE is a man of blunt honesty and was among the most outstanding and competent Government officials with whom he has ever had the pleasure to be associated. [redacted] said he would go on record as saying there could be no doubt as to the character, reputation, loyalty or choice of associates of either the appointee or his family. [redacted] gave his unqualified recommendation to Mr. MC CONE for any position of trust and confidence for which he may be chosen in the Government.

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

JUL 09 1973

TELETYPE

NR 003 LA PLAIN

12:06 PM URGENT 7-9-73 SMA

TO ACTING DIRECTOR

FROM LOS ANGELES (161-385) (RUC) 1P

|                  |       |
|------------------|-------|
| Mr. Felt         | _____ |
| Mr. Bates        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
| Mr. Galt         | _____ |
| Mr. Jenkins      | _____ |
| Mr. Marshall     | _____ |
| Mr. Miller, E.S. | _____ |
| Mr. Rosen        | _____ |
| Mr. Thompson     | _____ |
| Mr. Walters      | _____ |
| Tele. Room       | _____ |
| Mr. Egan         | _____ |
| Mr. Gandy        | _____ |
| Mr. Harbo        | _____ |
| Mr. Hendon       | _____ |
| Mr. Jones        | _____ |
| Mr. Ladd         | _____ |
| Mr. Nichols      | _____ |
| Mr. Rosen        | _____ |
| Mr. Sullivan     | _____ |
| Mr. Tavel        | _____ |
| Mr. Trotter      | _____ |
| Mr. Tele. Room   | _____ |
| Miss Holmes      | _____ |
| Miss Gandy       | _____ |

JOHN ALEX MC CONE, SPIN, BUDED PAST.

RE LOS ANGELES TELETYPE TO BUREAU 7/3/73.

OFFICE OF SENATOR JOHN B. TUNNEY, 11000 WILSHIRE  
BOULEVARD, LOS ANGELES, CALIFORNIA, ADVISED SENATOR TUNNEY  
CONTACTED THROUGH HIS ADMINISTRATIVE ASSISTANT, HADLEY ROFF,  
AND STATES EVERYTHING HE KNOWS CONCERNING MC CONE IS  
FAVORABLE AND HE RECOMMENDS.

END

HOLD FOR ONE

ACK TWO

JTG FBIHQ

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DFW

II 432859

cc destroyed

161-1709-42  
NOT RECORDED

9 AUG 15 1973

364  
70 AUG 23 1973

9-100

NR 033 LA PLAIN

711PM NITEL 7-11-73 JCD

TO DIRECTOR

WASHINGTON FIELD (161-9073)

FROM LOS ANGELES (161-385) (RUC) 2P

JOHN ALEX MC CONE, SPI, BUDED 7-3-73.

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

TELETYPE

|                  |       |
|------------------|-------|
| Mr. Felt         | _____ |
| Mr. Baker        | _____ |
| Mr. Callahan     | _____ |
| Mr. Cleveland    | _____ |
| Mr. Conrad       | _____ |
| Mr. G. L. Galt   | _____ |
| Mr. Jenkins      | _____ |
| Mr. Marshall     | _____ |
| Mr. Miller, E.S. | _____ |
| Mr. Soyars       | _____ |
| Mr. Thompson     | _____ |
| Mr. Walters      | _____ |
| Tele. Room       | _____ |
| Mr. Baise        | _____ |
| Mr. Barnes       | _____ |
| Mr. Bowers       | _____ |
| Mr. Herington    | _____ |
| Mr. Conmy        | _____ |
| Mr. Mintz        | _____ |
| Mr. Eardley      | _____ |
| Mrs. Hogan       | _____ |

RE WASHINGTON FIELD TELETYPE TO BUREAU, 7-11-73.

BETTY BOTHE, APPOINTEE'S SECRETARY, ADVISED THIS DATE THAT APPOINTEE WAS FIRST NOMINATED FOR MEMEBERSHIP ON THE GENERAL ADVISORY COMMITTEE OF THE ARMS CONTROL AND DISARMAMENT AGENCY IN SEPTEMBER 1971. HE MAY HAVE BEEN NOMINATED AGAIN BUT HE HAS ALWAYS CONSIDERED IT ONE NOMINATION. HE HAD NEVER BEEN CONFIRMED FOR THE POSITION BECAUSE DURING 1971 AND 1972 SENATOR WILLIAM FULBRIGHT HAD BEEN TRYING UNSUCCESSFULLY TO GET SOME MEMBERS OF THE COMMITTEE OR SOME WHITE HOUSE PERSONNEL TO TESTIFY BEFORE HIS FOREIGN RELATIONS COMMITTEE AND THE WHITE HOUSE REFUSED TO ALLOW THEIR TESTIMONY ON THE BASIS OF EXECUTIVE PRIVILEGE. FULBRIGHT THEREFORE REFUSED

END PAGE ONE

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW

U432859

cc destroyed

7/12/73  
Mintz, WFO  
was advised this date  
not to interview Senator  
no further investigation along this  
line necessary  
161-1709-1B  
NOT RECORDED  
9 AUG 15 1973

364  
70 AUG 23 1973

G. Jones

PAGE TWO

LA 161-385

TO CALL MC CONE AND SEVERAL APPOINTEES BEFORE HIS COMMITTEE  
FOR CONFIRMATION.

WASHINGTON FIELD INTERVIEW SENATOR FULBRIGHT IF DEEMED  
ADVISABLE.

RUC.

END

DLM FBI HQ ACK FOR SIX CLR

F B I

Date: 7/11/73

Transmit the following in PLAINTEXT  
(Type in plaintext or code)Via TELETYPE URGENT  
(Priority)

TO: DIRECTOR, FBI (MAIL) AND SAC LOS ANGELES (161-385)

FROM: SAC, WFO (161-9073) (P)

JOHN ALEX MC CONE, SPI, BUREAU DEADLINE: 7/3/73.

REFERENCE BUREAU TELETYPE, 6/26/73 AND LOS ANGELES  
TELETYPE, 6/27/73.

WHITE HOUSE RECORDS DISCLOSED MC CONE WAS NOMINATED BY  
THE PRESIDENT TO BE A MEMBER OF THE GENERAL ADVISORY COMMITTEE  
OF THE UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY ON  
9/30/71 AND ALSO ON 2/4/72. RECORDS INDICATED HE WAS NOT  
CONFIRMED ON BOTH OCCASIONS.

WFO HAS BEEN UNABLE TO DETERMINE REASON FOR NOT CONFIRMING  
APPOINTEE ABOVE POSITION.

LOS ANGELES ATTEMPT TO DETERMINE REASON FOR NON-CONFIRMATION  
OF APPOINTEE ABOVE POSITION THROUGH APPOINTEE'S SECRETARY,  
BETTY BOTHE.

- ① - Bureau  
1 - WFO  
1 - Tickler  
EWM:bjl  
(3)

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

432859

NOT RECORDED

9 AUG 15 1973

Approved: MT/RR  
Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_

1 - Mrs. Mutter  
1 - Mr. Cleveland  
1 - Mr. Coleman  
1 - Mr. Coady

July 11, 1973

BY LIAISON

*1x C to ACDA  
per [unclear]  
with - 6/18/73  
[unclear]*

Miss Jane Dannenhauer  
Staff Assistant (Security)  
The White House  
Washington, D. C.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4 BJA/DFW  
E432859

Dear Miss Dannenhauer:

In accordance with your request received on June 26, 1973, an investigation has been conducted concerning Mr. John Alex McCone. Transmitted herewith is a summary memorandum containing the results of this investigation.

The enclosed summary memorandum covers Mr. McCone's activities since November, 1961. It is noted that previous applicant-type investigations were conducted by this Bureau concerning Mr. McCone in 1948, 1950, 1954, 1958, and 1961. The results of those investigations were summarized in communications dated May 5, 1954; June 12, 1958; June 24, 1958; June 30, 1958; and November 2, 1961, copies of which were forwarded to The White House by letter dated December 3, 1969.

Information has been received from the Internal Revenue Service and the Bureau of Personnel Investigations, Civil Service Commission, indicating checks of their files concerning Mr. McCone have not been completed. When these checks have been completed, you will be advised.

Sincerely yours,

Clarence M. Kelley  
Director

EX-112  
REC-67

161-1709-115  
RECORDED  
9 AUG 15 1973

ENCLOSURE

Enclosures (2)

- Mr. Felt \_\_\_\_\_
- Mr. Baker \_\_\_\_\_
- Mr. Callahan \_\_\_\_\_
- Mr. Cleveland \_\_\_\_\_
- Mr. Conrad \_\_\_\_\_
- Mr. Gebhardt \_\_\_\_\_
- Mr. Jenkins \_\_\_\_\_
- Mr. Marshall \_\_\_\_\_
- Mr. Miller, E.S. \_\_\_\_\_
- Mr. Soyars \_\_\_\_\_
- Mr. Thompson \_\_\_\_\_
- Mr. Walters \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Mr. Baise \_\_\_\_\_
- Mr. Barnes \_\_\_\_\_
- Mr. Bowers \_\_\_\_\_
- Mr. Herington \_\_\_\_\_
- Mr. Conroy \_\_\_\_\_
- Mr. Mintz \_\_\_\_\_
- Mr. Eardley \_\_\_\_\_
- Mrs. Hogan \_\_\_\_\_

JMC:dc  
-6-

SEE NOTE PAGE 2.

DELIVERED BY LIAISON  
ON 7/12/73

MAIL ROOM ☐

TELETYPE UNIT ☐

Return to Mr. COADY, Room 7642.

*WVC*  
*DEC*  
*9-1*  
*[initials]*

Miss Jane Dannenhauer

b3 per IRS

NOTE: McCone, aged 71, is former head of AEC and CIA. Since 1965 has been consultant to Board of Hendy International Corporation, Los Angeles, and member of Board of Directors of numerous corporations including IT&T. Investigation favorable. Business associate advised [REDACTED]

[REDACTED]

[REDACTED] IRS and CSC  
outstanding.

July 10, 1973

1 copy with enclosure  
to ALBDA per Harman/Kane,  
6/18/74

JOHN ALEX MC CONE

Summary

THE INVESTIGATION OF MR. MC CONE COVERED INQUIRIES AS TO HIS CHARACTER, LOYALTY, ABILITY, AND GENERAL STANDING, BUT NO INQUIRIES WERE MADE AS TO THE SOURCES OF HIS INCOME.

NY  
D.C.

The information in this summary memorandum covers the period since November, 1961. Mr. McCone was born on January 4, 1902, in San Francisco, California.

Residence

Mr. and Mrs. McCone presently reside at 1100 Oak Grove Avenue, San Marino, California. They also maintain a residence at The Highlands, Seattle, Washington.

Employment

From November, 1961, until February, 1962, Mr. McCone continued his employment as President of Panamax Pacific Tankers Corporation and Chairman of the Board of Directors of Joshua Hendy Corporation, both of Los Angeles, California.

From November, 1961, to February, 1962, Mr. McCone additionally continued his employment as a member of the Board of Directors of Standard Oil Company of California, San Francisco, California; Trans World Airlines, Los Angeles, California; Western Bancorporation, Los Angeles, California; First Western Bank and Trust Company, Los Angeles, California; and Pacific Mutual Life Insurance Company, Los Angeles, California.

He served as Director of the Central Intelligence Agency in Washington, D. C., from February, 1962, until his resignation in April of 1965.

Officials of the Panamax Pacific Tankers Corporation and the Joshua Hendy Corporation advised that Mr. McCone's interests in those companies were put in trust during his tenure

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/DKJ  
432859

Mr. Felt \_\_\_\_\_  
Mr. Baker \_\_\_\_\_  
Mr. Callahan \_\_\_\_\_  
Mr. Cleveland \_\_\_\_\_  
Mr. Conrad \_\_\_\_\_  
Mr. Gebhardt \_\_\_\_\_  
Mr. Jenkins \_\_\_\_\_  
Mr. Marshall \_\_\_\_\_  
Mr. Miller, E.S. \_\_\_\_\_  
Mr. Soyars \_\_\_\_\_  
Mr. Thompson \_\_\_\_\_  
Mr. Walters \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Mr. Baise \_\_\_\_\_  
Mr. Barnes \_\_\_\_\_  
Mr. Bowers \_\_\_\_\_  
Mr. Herington \_\_\_\_\_  
Mr. Conmy \_\_\_\_\_  
Mr. Mintz \_\_\_\_\_  
Mr. Eardley \_\_\_\_\_  
Mrs. Hogan \_\_\_\_\_

MAIL ROOM ☐

TELETYPE UNIT ☐

Return to Mr. COADY, Room 7642.

161-1709-115  
ENCLOSURE

## John Alex McCone

with the Central Intelligence Agency. Officials of the various companies on which he served as a member of the Board of Directors, as mentioned hereinbefore, advised that he resigned from those firms upon the assumption of his duties with the Central Intelligence Agency.

From May, 1965, to December, 1969, Mr. McCone was employed as Chairman of the Board of Directors of Joshua Hendy Corporation, Los Angeles, California.

Mr. McCone served as Chairman of the Board of Directors, Hendy International Corporation, Los Angeles, California, from May, 1965, to September 30, 1972, on which date Hendy International Corporation became a subsidiary of Kaiser Aluminum and Chemical Corporation, Los Angeles, California.

Since October, 1972, Mr. McCone has been serving as Consultant to the Board of Directors, Hendy International Corporation, Los Angeles, California.

Since May, 1965, Mr. McCone additionally has been a member of the Board of Directors of Standard Oil Company of California, San Francisco, California; United California Bank, Los Angeles, California; Western Bank Corporation, Los Angeles, California; Pacific Mutual Life Insurance Company, Los Angeles, California; and Paccar, Incorporated, Seattle, Washington. Additionally, since January, 1966, Mr. McCone has been a member of the Board of Directors of the International Telephone and Telegraph Corporation, New York, New York.

### Interviews

Joseph M. Tescher, Vice President in Charge of Administration, Hendy International Corporation, Los Angeles, California, advised he has known Mr. McCone since January, 1946, when he became controller of Joshua Hendy Corporation. At that time Mr. McCone was President of that corporation. In 1949 the Joshua Hendy Corporation went into the shipping business, which business it carried on until 1969. He stated Hendy International Corporation was organized in the early 1960s and the ship operating contracts of Joshua Hendy Corporation were transferred to Hendy International Corporation. Joshua Hendy Corporation was liquidated in December, 1969.

John Alex McCone

Mr. Tescher stated Mr. McCone was variously President, Chairman of the Board, and principal stockholder of Joshua Hendy Corporation and Hendy International Corporation until September, 1972, when the latter corporation became a subsidiary of Kaiser Aluminum and Chemical Corporation of Los Angeles, California. Mr. Tescher noted that the Panamar Pacific Tankers Corporation of which Mr. McCone was President in 1961 was liquidated in 1964. He stated that corporation was wholly owned by Mr. McCone.

b3 per IRS

Mr. Tescher stated that

Mr. Tescher stated Mr. McCone is the finest man he has ever met. He described his character, integrity, honesty, moral standards, business ethics, and general reputation as outstanding. He said Mr. McCone has been vitally interested in national and community affairs, has involved himself with numerous commissions and committees devoted to the public good, and has received many awards for his accomplishments. He described him as a very astute and intelligent businessman and an extremely able administrator. He recommended him without reservation for any position of trust.

Edmund G. "Pat" Brown, partner in the law firm of Ball, Hunt, Hart, Brown and Baerwitz, Beverly Hills, California, and former Governor of California, advised he has known Mr. McCone since 1958 when he became Governor. He stated he saw him on numerous occasions from that time until 1965 when he appointed

John Alex McCone

him as head of a commission to investigate the Watts riots which occurred in Los Angeles that year. Mr. McCone did a very thorough, conscientious, and excellent job as head of the commission and he was satisfied with the results. He appointed Mr. McCone to the commission because of his reputation as a businessman and as former Director of the Atomic Energy Commission and the Central Intelligence Agency. He has the highest regard for Mr. McCone's character, integrity, and reputation and recommended him highly for any position of trust.

Asa V. Call, Honorary Chairman of the Board, Pacific Mutual Life Insurance Company, Los Angeles, California, advised he has known Mr. McCone for thirty years as a business associate and close personal friend. He stated Mr. McCone has been a member of the Board of Directors of that corporation for at least twenty years, except during his employment with the Federal Government. He noted Mr. McCone has an extremely good reputation in the business community and his honesty and integrity are above reproach. He described his character as impeccable and stated there has never been any scandal connected with his name. He further described him as being an intelligent and extremely capable administrator and an astute businessman. He recommended him highly for any position with the Federal Government.

Lieutenant General Marshall S. Carter, United States Army, retired, Colorado Springs, Colorado, stated he has known Mr. McCone since early 1962 when he was interviewed for the job of Deputy Director of the Central Intelligence Agency. He served in that position under Mr. McCone from March, 1962, until Mr. McCone's resignation in 1965. He considers Mr. McCone to be a man of impeccable character and integrity. He stated Mr. McCone's loyalty to America is unquestioned and he knows of no unfavorable information concerning him, his family or associates. He would unequivocally recommend Mr. McCone for any position of trust based on his past performance.

Robert Bridges, attorney, law firm of Thelan, Marrin, Johnson and Bridges, San Francisco, California, advised that he has been a close personal friend and business associate of Mr. McCone's for about thirty-five years. He stated he was acquainted with the former Mrs. McCone and is acquainted with the present Mrs. McCone. He considers the McCones to be people of the finest reputation and best moral character. He has been involved in various corporate legal matters for Mr. McCone and

John Alex McCone

various corporations with which Mr. McCone has been associated. He stated Mr. McCone enjoys the highest reputation and is a man of unquestioned integrity. He described him as a vigorous individual who enjoys excellent health. He knows of no business activities with which Mr. McCone is associated that would conflict with any Government appointment. He recommended him highly for a position of trust.

Otto Miller, Chairman of the Board of Directors, Standard Oil Company of California, San Francisco, California, advised he has been a close friend of Mr. McCone's for over thirty years and has been engaged in business matters with him for nearly that length of time. He stated he sees Mr. McCone at least once every month since Mr. McCone serves as a member of the Board of Directors of that company. He described Mr. McCone as a person who enjoys vigorous good health and who has a tremendous capacity for work. He advised he could think of no objection to an appointment of Mr. McCone to any position of trust and confidence with the Federal Government. He stated that Mr. McCone's character, morals, and loyalty are above reproach and he would recommend him most highly.

Miss Betty Bothe, Mr. McCone's personal secretary, advised she has been employed in that position since January, 1969. She was formerly secretary to the President of Hendy International Corporation and she knew Mr. McCone well for ten years prior to the time she became his secretary. She expressed the highest regard for his character, integrity, and reputation and for his business and social ethics. She stated Mr. McCone has received numerous awards for his public accomplishments. As a member of the Board of Directors of International Telephone and Telegraph Corporation, he testified before a United States Senate committee in Washington, D. C., investigating the International Telephone and Telegraph Corporation in 1973 and 1975 and was absolved of any wrongdoing. She recommended him without reservation.

Henry M. Jackson, United States Senator from Washington, advised in Washington, D. C., that he has known Mr. McCone on a personal and professional basis for more than ten years. He described Mr. McCone's former service as Director of the Central Intelligence Agency and as Commissioner of the Atomic Energy Commission as being marked by excellence and the

John Alex McCone

highest degree of public service. He stated he has traveled extensively in Mr. McCone's company and views his judgments with regard to political and professional matters as being reasonable and in the best interests of the United States. He has no question concerning Mr. McCone's character, associates, reputation, or loyalty. He recommended him for any position to which President Nixon may care to appoint him.

Warren G. Magnuson, United States Senator from Washington, advised in Washington, D. C., that he has known Mr. McCone on a personal and professional basis for approximately fifteen years. He has no question concerning Mr. McCone's character, associates, reputation, or loyalty. He recommended him for any position to which President Nixon may care to appoint him.

Alan Cranston, United States Senator from California, advised in Washington, D. C., that Mr. McCone is known to him. He stated he knows nothing of a derogatory nature regarding Mr. McCone's character, associates, loyalty, or reputation. He said he would have no objection to Mr. McCone's having a position of trust and confidence with the Government.

Stanley R. Fike, Administrative Assistant to ~~the~~ of Stuart Symington, United States Senator from Missouri, advised in Washington, D. C., Senator Symington is unavailable for interview. He stated he is authorized to advise that Mr. McCone is well known to Senator Symington. He said Senator Symington first brought Mr. McCone into the Government when he was Secretary of the Air Force, and Mr. McCone served under him as the Assistant Secretary of the Air Force. He said Senator Symington thinks very highly of Mr. McCone and recommended him for a position of trust and confidence.

Thirty-seven additional persons, consisting of social and business associates, were interviewed and commented favorably regarding Mr. McCone's character, loyalty, reputation, and associates. Those well acquainted with Mr. McCone said he is intelligent, conscientious, dedicated, and hardworking. He was described as being vitally interested in national and community affairs and as being an astute businessman. Those acquainted with Mr. McCone's close relatives described them as loyal and reputable individuals.

John Alex McCone

Close Relatives

Mr. McCone's first wife, Rosemary Cooper McCone, died in December, 1961.

Mr. McCone married his present wife, Theiline McCone, the widow of Seattle, Washington, industrialist Paul Pigott, in August, 1962.

In addition to his wife, Mr. McCone has the following close relatives:

Sister

Mrs. J. W. (Margaret) Aicher  
Pasadena, California

Sister

Mrs. Donald C. (Mary Louise) Shelby  
Los Angeles, California

Credit and Arrest Checks

Information has been received from the appropriate credit reporting agencies indicating their files contain either no record or no additional pertinent information concerning Mr. McCone.

Information has been received from the appropriate law enforcement agencies indicating their files contain no information concerning Mr. McCone or his close relatives.

Miscellaneous

A copy of the 1973 testimony of Mr. McCone before the Subcommittee on Multinational Corporations of the Committee on Foreign Relations, United States Senate, Washington, D.C., was received from the records of the United States Senate and is appended hereto.

Agency Checks

A review of the records of The White House Office shows that Mr. McCone was appointed by the President on February 1, 1962, to be Director of the Central Intelligence

John Alex McCone

Agency. On April 3, 1964, he was appointed by the President to be a member of the President's Advisory Committee on Supersonic Transport. On July 7, 1966, he was appointed as a member of the National Advisory Committee on Selective Service. On September 30, 1971, and on February 4, 1972, he was nominated by the President to be a member of the General Advisory Committee of the United States Arms Control and Disarmament Agency.

Information has been received from the following governmental agencies indicating their files contain either no record or no additional pertinent information concerning Mr. McCone:

House Committee on Internal Security;  
United States Secret Service; and the  
Central Intelligence Agency.

The central files of the FBI, including the files of the Identification Division, contain no additional pertinent information concerning Mr. McCone.

Enclosure

1 - Mr. Cleveland  
1 - Mr. Coleman  
1 - Mr. Coady

July 18, 1973

BY LIAISON

Miss Jane Dannenhauer  
Staff Assistant (Security)  
The White House  
Washington, D. C.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4BJA/DFW

U432859

Dear Miss Dannenhauer:

Reference is made to my letter dated July 11, 1973, which furnished you a summary memorandum containing the results of investigation concerning Mr. John Alex McCone.

A review of the records of the Atomic Energy Commission, Germantown, Maryland, shows that Mr. McCone was given a "Q" clearance on February 10, 1961, which clearance continues to be active inasmuch as Mr. McCone is a member of the Central Intelligence Agency Nuclear Intelligence Panel.

Information has been received from the Bureau of Personnel Investigations, Civil Service Commission, Washington, D. C., indicating its files contain no record concerning Mr. McCone.

Information has been received from the Internal Revenue Service indicating a check of its files concerning Mr. McCone has not been completed. When this check has been completed, you will be advised.

Sincerely yours,

*Clarence M. Kelley*  
Clarence M. Kelley  
Director

161-1709-116  
NOT RECORDED  
9 AUG 15 1973

JMC:jaj  
(5)

DELIVERED BY LIAISON  
ON 7/18/73

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1 - Mr. Cleveland  
1 - Mr. Coleman  
1 - Mr. Coady

August 2, 1973

BY LIAISON

*1 x cts AEDA  
6-18-74  
per [illegible] W.A.  
OJA/mcy*

Miss Jane Dannenhauer  
Staff Assistant (Security)  
The White House  
Washington, D. C.

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DATE 3-22-02 BY SP4BJA/DEJ

432859

Dear Miss Dannenhauer:

Reference is made to my letters dated July 11, 1973, and July 18, 1973, which furnished you the results of investigation concerning Mr. John Alex McCone.

Enclosed is a copy of an Internal Revenue Service report dated July 30, 1973, concerning Mr. McCone's income tax returns.

This concludes the investigation in this matter.

Sincerely yours,

*Clarence M. Kelley*  
Clarence M. Kelley  
Director

Enclosure  
ENCLOSURE

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Director Sec'y \_\_\_\_\_

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THE INTERNATIONAL TELEPHONE AND  
TELEGRAPH COMPANY AND CHILE, 1970-71

REPORT

TO THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

BY THE

SUBCOMMITTEE ON MULTINATIONAL  
CORPORATIONS



JUNE 21, 1973

Printed for the use of the Committee on Foreign Relations

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1973

95-794

RECEIVED HOUSE OF REPRESENTATIVES  
COMMITTEE ON FOREIGN RELATIONS  
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JEROME LEVINSON, *Chief Counsel*

JACK BLUM, *Associate Counsel*

(NOTE.—References to appendices refer to hearings which will be published soon.)

(II)

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# THE INTERNATIONAL TELEPHONE AND TELEGRAPH COMPANY AND CHILE, 1970-71

## A. INTRODUCTION

On March 21, 1972, syndicated columnist Jack Anderson wrote that the International Telephone and Telegraph Corporation was involved in "a bizarre plot to stop the 1970 election of leftist Chilean President Salvador Allende." Mr. Anderson further alleged that the company was in regular contact with the Central Intelligence Agency and that the Agency participated in the plot. His allegations were based on documents he had obtained from the corporation's files.

Following the publication of the Anderson columns, the Senate Foreign Relations Committee asserted its paramount jurisdiction over "intervention abroad" and voted to investigate the allegations. At the same time, the Committee voted to establish a Subcommittee on Multinational Corporations and directed the Subcommittee to undertake a broad study of multinational corporations and their impact on American foreign policy.

The Subcommittee was asked to make the investigation of the Anderson allegations its first order of business. Further, to insure a fair and balanced investigation, the Subcommittee was asked to postpone hearings until after the 1972 Presidential election.

This, the Subcommittee's first report, covers, and is limited to, its investigation of the Anderson allegations.

In September 1972 the Subcommittee staff began an intensive investigation of the activities of the United States Government and American owned private corporations in connection with the 1970 Chilean Presidential election. The staff interviewed dozens of businessmen, present and former government officials, and present and former ITT employees. In addition, the staff requested and received numerous documents relating to the Chilean situation from ITT and other companies. These were considerably more extensive than the original documents on which the Anderson columns were based. The Subcommittee also requested access to documents from the Department of State, but this was refused. This lack of cooperation by State left an important gap in the record, as will be noted later.

The Subcommittee heard testimony from witnesses during two days of hearings in executive session and seven days of hearings in public sessions. The witnesses included ITT employees, ITT outside directors, Government witnesses, and witnesses representing other companies and financial institutions which had interests in Chile, or which were mentioned in the documents.

## B. THE HEARING RECORD

### SYNOPSIS OF CHILEAN PRESIDENTIAL ELECTION

In 1970 Chile was in the midst of a presidential election campaign. President Eduardo Frei Montalvo, Christian Democrat, had been

elected president in 1964. After completion of his six-year term in 1970 he was ineligible for re-election. The three major candidates were:

(1) Dr. Salvador Allende Gossens, Socialist, candidate of the Popular Unity coalition of Communists, Socialists, Social Democrats, Radicals and dissident Christian Democrats.

(2) Jorge Alessandri Rodriguez, Independent, candidate of the right-wing National Party, a fusion of the Conservative and Liberal parties.

(3) Radomiro Tomic Romero, candidate of the ruling Christian Democrat Party.

The Popular Unity candidate, Dr. Allende, a long-time Senator and founder of the Socialist Party, making his fourth try for the presidency, campaigned for a program of extensive land reform and the rapid nationalization of basic industries, banks, and communications systems, many of which were controlled by foreign capital.

The Christian Democrat, Mr. Tomic, a former Ambassador to the United States, campaigned for a continuation of Frei's program of gradual "Chileanization" of key sectors of the economy—a sort of middle way between capitalism and full socialism.

Conservative former President Alessandri, was the only candidate to give wholehearted support to the private free enterprise system.

The results of the September 4 popular election were:

|                 | Votes     | Percen |
|-----------------|-----------|--------|
| Allende.....    | 1,075,615 | 36.3   |
| Alessandri..... | 1,036,278 | 35.3   |
| Tomic.....      | 824,849   | 28.4   |

Although Dr. Allende won with a margin of 39,000 votes, no candidate had an absolute majority. In such a case, the Chilean constitution required that a joint session of Congress choose between the first and second place finishers. The Congressional election was held October 24, 1970. Salvador Allende Gossens received 153 of the 195 votes. He was sworn in one week later.

The analysis of the hearing record is in three parts: Part I, the period before September 4, 1970, the date of the Chilean popular election for president; Part II, the period between September 4 and the Congressional election of October 24, 1970; and Part III, the post-October 24 period, after Salvador Allende Gossens had been elected President of Chile.

#### PART I. THE PERIOD PRECEDING THE POPULAR ELECTION OF SEPTEMBER 4, 1970

##### *McCone and Helms—May/June 1970*

The Chilean political situation was discussed at an ITT Board meeting in the spring of 1970 (Rohatyn testimony) and at the June 1970 board meeting the opinion was expressed that Dr. Salvador Allende Gossens, the Marxist candidate, would win the popular election. (McCone testimony.)

On his own initiative, Mr. John McCone, a former Director of the Central Intelligence Agency, at the time a consultant to the Agency and a Director of ITT, held a number of conversations about Chile

with Richard Helms, then CIA Director. At least two conversations took place in Langley, Virginia, and one at Mr. McCone's home in San Marino, California. (McCone testimony.) During these conversations, Mr. McCone told Helms that ITT expected Dr. Allende to win the election. He pointed out that Allende was campaigning on a platform calling for the expropriation of American business, including ITT's properties, and expressed the opinion that the American national interest, as well as business interests were involved, "because there were, as you know, several hundred million dollars of OPIC guarantees, of which approximately 100 million dollars were ITT's." (McCone testimony.)

Mr. McCone asked Mr. Helms whether the United States intended to intervene in the election to encourage the support of "one of the candidates who stood for the principles that are basic in this country." (McCone testimony.) Mr. McCone indicated that the two candidates he had in mind were Mr. Radomiro Tomic Romero, the candidate of the Christian Democratic Party and Mr. Jorge Alessandri Rodriguez, an independent and the candidate of the conservative National Party. (McCone testimony.) Incumbent Christian Democratic President Eduardo Frei Montalvo was prevented by law from succeeding himself.

Mr. Helms told Mr. McCone that the matter had been considered by the "Forty Committee," the Executive Branch interdepartmental committee; at that time chaired by Dr. Henry Kissinger, which approves CIA covert actions, and that a decision had been made that nothing of consequence should be done. (McCone testimony.) Helms indicated that some minimal effort would be mounted which "could be managed within the flexibility of their own budget" that is, without seeking additional appropriated funds. (McCone testimony.) Mr. Helms was very pessimistic about the chances of Mr. Alessandri and was of the personal opinion that Dr. Allende would win. This opinion was contrary to the official reports of the U.S. Embassy. Based upon polls commissioned or undertaken by the CIA, the Embassy was reporting that Alessandri would win a plurality with approximately 40 percent of the vote. (Korry testimony.)

McCone said that he informed Mr. Geneen of the decision by the Agency not to intervene beyond the "normal budget flexibility" in the Chilean election and that Mr. Geneen was disappointed by the news. (McCone testimony.)

*Geneen and Broe—July 16, 1970*

During one of the conversations, Mr. McCone suggested to Mr. Helms that someone on Helms staff contact Mr. Geneen, and this suggestion led directly to a meeting between Mr. Geneen and Mr. Broe, the Chief of the CIA's Clandestine Services (also known as the Directorate of Plans), Western Hemisphere Division, on July 16, 1970, in the Sheraton-Carlton Hotel, Washington, D.C. In response to Mr. McCone's request, Mr. Helms told Mr. Broe that Mr. Geneen, ITT's Chief Executive Officer, would be in Washington on July 16, 1970, and that he should get in touch with Geneen to arrange a meeting. (Broe testimony.) Thus it was McCone, through his suggestion to Helms, who set in motion a series of contacts between the ITT and CIA in connection with Chile.

Mr. Broe was contacted by William Merriam, head of ITT's Washington office, who told him that Mr. Geneen wanted to meet late in the evening. Mr. Broe waited for Mr. Geneen in the lobby of the hotel. Mr. Merriam arrived, introduced himself and then took Mr. Broe up to Mr. Geneen's suite to wait for him. Mr. Merriam left the suite before the conversation began. (Broe testimony.) Mr. Geneen asked Mr. Broe for information on the electoral situation, the status and potential of the candidates and their parties. (Broe testimony.) Then Mr. Geneen offered to assemble an election fund for Jorge Alessandri Rodríguez, one of the Chilean candidates. Mr. Geneen said the fund would be "substantial" and that he wanted the fund controlled and channeled through the CIA. (Broe testimony.) Mr. Broe refused the offer and told Mr. Geneen that the CIA was not supporting any candidate in the Chilean election. The meeting lasted about an hour.

Mr. Geneen accepted Broe's account of the meeting as accurate, although he said he could not remember making the offer of a campaign fund. (Geneen testimony.) He testified that he made a similar offer to the CIA in 1964 and the offer was rejected by the Agency. (Geneen testimony.) Following the meeting, Mr. Geneen told Mr. Broe to contact ITT Vice President Ned Gerrity if Geneen was out of town.

Mr. Broe called Mr. Geneen on July 27th to tell him there was no change in the Chilean situation. The conversation was very brief and dealt with the progress of the candidates.

#### PART II. THE PERIOD BETWEEN SEPTEMBER 4 AND THE CONGRESSIONAL ELECTION OF OCTOBER 24, 1970

##### *The Alessandri Formula*

On September 4, 1970, Salvador Allende Gossens won a narrow plurality of the vote. On September 9, Mr. Alessandri announced that if elected by the Congress, he would immediately resign. This maneuver would open the way for President Frei to run again. In a two-way contest between President Frei and Dr. Allende, many believed Frei would win. This plan became known as the "Alessandri formula."

##### *The Million Dollar Offer*

On September 9, 1970, the ITT Board of Directors met for its monthly meeting in New York City. Mr. Geneen expressed his concern to John McCone over the political situation in Chile. In Mr. McCone's words: "What he told me at that time was that he was prepared to put up as much as a million dollars in support of any plan that was adopted by the government for the purpose of bringing about a coalition of the opposition to Allende so that when confirmation was up, which was some months later, this coalition would be united and deprive Allende of his position." (McCone testimony.) Mr. Geneen asked Mr. McCone to support his proposal. Mr. McCone agreed and came to Washington several days later and met with Henry Kissinger, Assistant to the President for National Security Affairs, and Richard Helms. He communicated to both Kissinger and Helms Mr. Geneen's offer of a \$1,000,000 fund for the purpose of assisting any government plan designed to form a coalition in the Chilean Congress to stop Allende. Dr. Kissinger, according to Mr. McCone, thanked him and said he

would hear from him. Mr. McCone did not receive a call back from Dr. Kissinger and therefore assumed no government plan had been developed. (McCone testimony.)

On September 11, 1970, at roughly the same time Mr. McCone was meeting with Dr. Kissinger and Mr. Helms, Jack Neal, the International Relations Director in the ITT Washington office, telephoned Viron P. Vaky, Dr. Kissinger's assistant for Latin American Affairs. He informed him that Mr. Geneen was willing to come to Washington to discuss his interest and that the company was willing to contribute a sum of money in seven figures. He also advised Mr. Vaky that the company was aware of Ambassador Korry's position with respect to the Alessandri formula and that he, Neal, hoped that the White House would remain neutral in the event other attempts were made to "save the situation in Chile." Mr. Neal claimed that on the following day, September 12, he delivered the same message to Assistant Secretary of State Charles Meyer. (Neal testimony.) Meyer however testified that, although he had spoken with Mr. Neal on that date he could not recall the offer of a sum of money. (Meyer testimony.)

There is little doubt that the ITT fund of "up to seven figures" was offered in support of any U.S. government plan to form a coalition in the Chilean Congress capable of stopping the election of Salvador Allende. Mr. Geneen testified that even if the plan did not block Allende's election, he hoped it would create a situation in which Allende would go slowly on the nationalization of American property in Chile. (Geneen testimony.)

During the hearings Ned Gerrity, ITT's Vice President in charge of corporate relations told the committee that the fund was offered for a constructive purpose such as housing and was designed to be a display of good will by ITT towards the Allende government. (Gerrity testimony.) But this contention strains credulity. Neal denied any knowledge of the use to which the money was to be put. (Neal testimony.) Gerrity admitted that he had never communicated any constructive purposes for use of the funds to Merriam, who gave Neal his instructions. (Gerrity testimony.) Nor could Gerrity recall whether he had ever explicitly discussed such proposals with Geneen. (Gerrity testimony.) Vaky testified that he understood the offer of funds by Neal to be in the context of blocking Allende from becoming president. (Vaky testimony.) And, in all of the documents submitted, there is no evidence of a constructive purpose for the \$1 million fund.

Finally, since the end of World War II, the U.S. provided in excess of \$1.4 billion in foreign aid funds to Chile. The idea that \$1 million for housing, technical assistance, or agriculture could have an influence on Allende, a dedicated Marxist for the past 30 years, is not credible. As Senator Case stated: "The whole body of evidence, memoranda, internal communications in the company, communications among all of you shows great disillusionment on the part of ITT with a program of aid to Chile, . . . this adds to the difficulty of believing that a relatively small amount of additional aid would be of any value." (Gerrity testimony.)

In short, Gerrity's assertion that the company intended a constructive use of the \$1 million fund has all of the earmarks of an after-

thought. As Senator Percy put it: "The implausibility of this story is what bothers us. It just does not hang together. It does not make any kind of sense for reasonable, rational men . . . to really feel that this assistance could have an impact." (Gerrity testimony.)

### *Hendrix and Berrellez in Santiago*

In addition to regular reports from the line officers of ITT subsidiaries, ITT receives reports from its Corporate Relations Department which go directly to company headquarters in New York. Two ex-newspaper men, Hal Hendrix and Robert Berrellez, were responsible for reporting for ITT's Corporate Relations Department on Chilean political developments. Mr. Hendrix, who was based in New York made frequent trips around Latin America, as did Mr. Berrellez who was based in Buenos Aires. The reports filed by Messrs. Hendrix and Berrellez were among the most suggestive documents received by the Subcommittee and the background of their reports was the subject of intensive investigation.

In August 1970, Mr. Hendrix was instructed by Mr. Gerrity to make a commitment to increase the advertising of the ITT-controlled Chilean telephone company (Chilteleco) in conservative Chilean newspapers by 50%. Mr. Hendrix explained that he made the recommendation because the newspapers were losing advertisers who thought Dr. Allende would win. The advertising program was designed to bolster the newspapers to "keep their editorial voices alive." Mr. Gerrity testified that he later learned the commitment had never been honored. It was vetoed by Benjamin Holmes, Chilteleco's local manager, as being too obviously political.

The Company instructed Mr. Berrellez to make reporting on the election his number one priority. On the night of the popular election, he filed cables to New York every few hours as the votes were tabulated. On September 7, Mr. Berrellez filed his first post-election report which was based largely on an interview with Arturo Matte, Mr. Alessandri's brother-in-law and closest political adviser. Berrellez summed up the situation as follows:

(a) any attempt to implement the Alessandri formula would lead to a bloodbath; (b) prospects for successful implementation of the Alessandri formula were at best problematical; (c) "reliablest" sources in Santiago caution to proceed slowly, not to panic; (d) it would be possible to negotiate directly with Allende with respect to the company's properties; and (e) "strong outside political and economic pressures resulting in unemployment and unrest internally will certainly strengthen the hand of the left wing extremists and will convert Allende into merely a puppet of a machine dedicated to violent anti-U.S. revolution on a hemisphere scale." (Appendix II.)

During the week of September 14th, following the Washington activities of Mr. McCone and Mr. Neal, Mr. Hendrix joined Mr. Berrellez in Santiago. On September 17th, they cabled a joint report to ITT in the United States which carefully explored the chances of blocking Dr. Allende's election by the Chilean Congress. The report also contained specific recommendations for supporting Chileans working to block Dr. Allende's election.

One paragraph written by Mr. Hendrix said, "Late Tuesday night (September 15), Ambassador Edward Korry finally received a mes-

sage from State Department giving him the green light to move in the name of President Nixon." The message gave him maximum authority to do all possible—short of a Dominican Republic type action—to keep Allende from taking power." (Appendix II.)

According to Mr. Hendrix, the source of the information was a Chilean national, described as an intimate political associate of Frei. (Hendrix testimony.) Mr. Hendrix said his informant told him that a very hard message—"muy duro"—had been received at the U.S. Embassy from a very high—"muy alto"—source. (Hendrix testimony.) The discussion took place at a coffee bar next to the presidential palace.

The Chilean source, according to Hendrix, never specifically named President Nixon or made reference to the Dominican Republic. These references, he said, were his own embellishment of what he had been told. Hendrix denied that the information on which the paragraph was based came from sources within the United States Embassy or the Central Intelligence Agency. (Hendrix testimony.)

Both Broe and Merriam testified that Mr. Merriam gave a copy of the cable to Mr. Broe and that Mr. Broe said that the report was accurate and the recommendations it contained were good.

These recommendations were the following (Appendix II):

1. We and other U.S. firms in Chile pump some advertising into *Mercurio*. (This has been started.)

2. We help with getting some propagandists working again on radio and television . . .

3. Assist in support of a "family relocation" center in Mendoza or Baires [Buenos Aires] for wives and children of key persons involved in the fight. This will involve about 50 families for a period of a month to six weeks, maybe two months.

4. Bring what pressure we can on USIS in Washington to instruct the Santiago USIS to start moving the *Mercurio* editorials around Latin America and into Europe. Up until I left they were under orders not to move anything out of Chile.

5. Urge the key European press, through our contacts there, to get the story of what disaster could fall on Chile if Allende & Co. win this country.

These are immediate suggestions and there will be others between now and October 24 as pressure mounts on Frei and the Christian Democrats.

When Ambassador Korry was questioned about the "green light message" he refused to tell the Subcommittee what his instructions from Washington were. Assistant Secretary of State Meyer also refused to say what the Ambassador's instructions were and the Department refused to furnish copies of the cables it sent to Santiago. In the face of the refusal of the State Department to cooperate, it is impossible for the Subcommittee to determine definitely whether the Ambassador in fact received a cable substantially along the lines described by Hendrix. The reluctance of the State Department to assist the Subcommittee is indicated by the correspondence published as an appendix to the hearing volumes.

The latter part of the message was drafted by Mr. Berrellez and was based upon a further interview with Mr. Matte. In summing up this conversation, Mr. Berrellez noted that Mr. Matte told him "the leader we thought was missing is right there in the saddle (Frei) but he won't move unless he is provided with a constitutional threat; the threat must be provided one way or another through provocation; Matte did not mention money or other needs but at the end when it was mentioned we were, as always, ready to contribute with what was necessary, he said 'we would be advised.'"

Mr. Berrellez in his testimony attempted to explain this pledge of support as merely a polite leavetaking observation, general in nature, with no implication of political support, financial or otherwise. This explanation is belied by the context in which it was made. Mr. Berrellez had just finished a detailed discussion of the prospects of defeating Allende through the Alessandri formula, or by creating sufficient provocation, economic or otherwise, to bring about a constitutional crisis which would lead the Army to intervene and prevent Allende from being elected president. (Appendix II.)

The cable is action oriented, specific in content and openly anti-Allende. Placed in context, it would be incongruous to construe Berrellez' offer of assistance as a stylized way of saying goodbye. The Subcommittee believes it was clearly an offer to back the anti-Allende effort then underway in Chile with financial or other resources. It was a logical complement to the offer that McCone and Neal made in Washington of a \$1 million fund in support of any U.S. Government plan designed to form a coalition in the Chilean Congress to defeat Dr. Allende.

Messrs. Berrellez and Hendrix continued to file reports on the developing Chilean political situation which reflected the ardent desire to see Dr. Allende defeated. (Appendix II.)

#### *Contacts Between the ITT Washington Office and the CIA*

A copy of the September 17th cable from Messrs. Hendrix and Berrellez was sent to William Merriam, head of the ITT Washington office. The cable was discussed at a staff meeting and became the basis for staff action. Mr. Merriam called Mr. Broe and arranged to meet him for lunch at the Metropolitan Club in Washington on September 22nd. Before the luncheon, Mr. Merriam sent Broe a copy of the September 17 cable. At lunch Mr. Merriam asked Mr. Broe for his judgment of the assessment and the workability of the recommendations. Broe confirmed the validity of the political analysis and approved the recommendations.

Acting on one of the recommendations in the cable, Bernard Goodrich, an ITT public relations man, visited the office of the United States Information Agency in Washington. Mr. Goodrich testified that he told the agency ITT was supporting *El Mercurio* with increased advertising and urged them to circulate *El Mercurio* editorials more widely in Latin America. He asked them whether there was any-

thing ITT as a private company could do that the U.S. Government could not do. When USIA officials said the company should not do anything overt which might be interpreted as intervention, Goodrich, "assured them that our people were well experienced in that field." (Appendix II.)

*Broe and Gerrity—September 29, 1970—and U.S. Government Policy*

Prior to September 4, 1970, the policy of the U.S. Government, according to Assistant Secretary of State Meyer, was to not interfere in the Chilean electoral process. Mr. McCone testified that Mr. Helms had informed him that although the matter of the Chilean election had been discussed in June of 1970 at the "Forty Committee", the inter-departmental group which controls the covert operations of the CIA, nothing of consequence would be done to influence the outcome of the September 4 election.

In the aftermath of Allende's victory, however, this policy of allowing events to take their course in Chile without substantial U.S. intervention was the subject of high level review within the U.S. Government. Meyer, testified that shortly after the September 4 election, the Forty Committee, at a meeting which he attended, met for the express purpose of discussing U.S. policy in connection with Chile; but he refused to inform the Committee what precisely was said at the meeting, what decisions, if any, were taken and what instructions were communicated to Mr. Korry, the U.S. Ambassador in Chile.

Mr. Korry did testify however that immediately after Allende won a plurality in the popular election of September 4, 1970, he sent a ten-point cable to the State Department indicating that an Allende presidency would not be in the best interests of the U.S. (Korry testimony.) Dr. Kissinger stated in an off-the-record briefing to a group of Mid-western newspaper editors in Chicago on September 16, 1970 that an Allende presidency would cause substantial problems for the United States as well as for Latin American countries bordering on Chile. (Korry testimony.) It is, accordingly, clear that both the U.S. Embassy in Santiago and high levels of the U.S. Government in Washington viewed with hostility the prospect of an Allende Government. It is within this context that Broe's visit to Mr. Gerrity of September 29, 1970 must be viewed.

On September 29th, for the first time in the course of the contacts between ITT and the United States Government, the Government took the initiative. Mr. Broe, at the instruction of CIA Director Richard Helms, called Mr. Gerrity in New York and arranged to meet him there on September 29th.

Messrs. Broe and Gerrity agreed substantially about what was said when they met. Mr. Broe proposed a plan to accelerate economic chaos in Chile as a means of putting pressure on Christian Democratic Congressmen to vote against Dr. Allende or in any event to weaken Dr. Allende's position in case he was elected. (Broe and Gerrity testimony.) As Gerrity summed it up, Broe made suggestions based

on recommendations from "our representative on the scene" and analysis in Washington. The specific suggestions as recorded by Gerrity were the following:

1. Banks should not renew credits or should delay in doing so.
2. Companies should drag their feet in sending money, in making deliveries, in shipping spare parts, etc.
3. Savings and loan companies there are in trouble. If pressure were applied they would have to shut their doors, thereby creating stronger pressure.
4. We should withdraw all technical help and should not promise any technical assistance in the future. Companies in a position to do so should close their doors.
5. A list of companies was provided and "it was suggested that we approach them as indicated. I was told that of all of the companies involved ours alone had been responsive and understood the problem. The visitor added that money was not a problem." (Appendix II.)

Broe testified that the plan to create economic chaos was a "thesis" which had been developed after analysis of the points of vulnerability of the Chilean society. Following Allende's victory in the popular election, many middle class Chileans were uneasy about the future of the economy and began to withdraw their money from banks. Also, many Chileans attempted to convert their Chilean currency to foreign currencies and to get it out of the country.

The CIA's thinking was that if additional pressure were placed on the Chilean economy, the deterioration would be accelerated and Christian Democratic Congressmen who were planning to vote for Allende would be shocked into changing their minds and following the Alessandri formula.

Mr. Gerrity told Mr. Geneen that he didn't think the plan would work. Mr. Geneen then consulted McCone who also told Geneen that the plan would not work. Mr. Geneen decided not to implement it.

Mr. Meyer attempted to explain Mr. Broe's proposal to Mr. Gerrity as merely the exploration of a possible policy option. Mr. Meyer was unwilling to inform the Subcommittee of the substance of the Forty Committee meeting. The Subcommittee is, accordingly, unable to say whether Mr. Helms' instruction to Mr. Broe to contact Mr. Gerrity and make proposals to Mr. Gerrity for creating economic dislocation in Chile were a direct outcome of the Forty Committee meeting which took place shortly after Allende won a plurality in the September 4 election. It is clear, however, that Mr. Broe's proposal of concrete measures designed to create economic difficulties in Chile for the purpose of influencing Christian Democrat Congressmen to vote against Allende in the Congressional election of October 24 was in striking contrast to the pre-September 4 U.S. Government policy of allowing events in Chile to follow their natural course without substantial interference from the U.S. Government.

The contacts between ITT and the CIA continued after Mr. Broe's meeting with Mr. Gerrity. On October 6th, Mr. Broe talked to the deputy head of ITT's Washington Office, John Ryan, about the pros-

pects of stopping Dr. Allende. Mr. Ryan testified that his memorandum of the conversation was accurate, that Mr. Broe had urged ITT to keep the pressure on, and had suggested a run on the banks. (Ryan testimony.)

Mr. Merriam met Mr. Broe for lunch on several occasions after that and when cables arrived from Santiago he called Broe and arranged to have a CIA messenger pick up copies. In exchange, Mr. Broe kept Mr. Merriam informed about the CIA assessment of the situation. Mr. Merriam passed the information along to his superiors, and at Gerrity's specific request, to Mr. McCone.

The company's thinking is reflected in Mr. Merriam's October 23 letter to Dr. Kissinger. (Merriam testimony.) The letter, and the accompanying attachment, were the outgrowth of an October 16 conversation between Mr. Neal and Ambassador Korry. The Ambassador, Mr. Neal testified, advised him to get ITT's policy suggestions about Chile to Dr. Kissinger before October 24th.

The letter and memorandum proposed that the U.S. Government take a number of measures against the Allende government. For example, it suggested that, "without informing President Allende, all U.S. aid funds already committed to Chile should be placed in the 'under review' status in order that entry of money into Chile is temporarily stopped with a view to a permanent cut off if necessary. This includes 'funds in the pipe line'—'letters of credit' or any such." (Merriam testimony.)

Mr. Merriam's letter and the attachment were distributed to Mr. Gerrity. (Merriam testimony.) The only apparent dissent in the company came from Richard Dillenbeck of the ITT Legal Department who warned that the actions proposed by the company might jeopardize the investment guarantee which covered the company's properties in Chile. (Merriam testimony.)

The letter was acknowledged by Dr. Kissinger, but, although Mr. Merriam thought the acknowledgment was more than perfunctory, there apparently was no follow-up action or conversation with Kissinger or anyone on his staff. (Merriam testimony.)

#### *The Banks—A Diverse Reaction*

Because of the references in the ITT documents to "banks in New York and California" and because the CIA suggestion to ITT was that they work to create economic chaos in Chile by causing a run on financial institutions, the Subcommittee invited testimony from the Chase Manhattan Bank, Manufacturer's Hanover Trust Company, First National City Bank, and the Bank of America. In addition, the Subcommittee staff interviewed officials of Morgan Guaranty Trust Company and Marine Midland National Bank.

All of the bank officials who testified or who were interviewed said they had not been approached by the Central Intelligence Agency, ITT, Chilean nationals or anyone else to cut back on their lending or to create economic chaos in an effort to block President Allende's election. The Subcommittee could find no evidence of involvement by American financial institutions in a plan to block President Allende's election by the Congress or in a concerted effort to weaken him by creating "financial chaos."

Two of the banks, Chase Manhattan and Morgan Guaranty, cut their lines of credit because they thought Chile's economic prospects were poor. Two banks, Manufacturer's and Marine Midland, increased their outstanding loans in the period between the two elections. The Bank of America and First National City Bank carried on at existing loan levels. Thus, the financial community reaction to the Allende victory in the popular election was diverse.

Two of the large banks reported that they were approached by Chilean nationals with requests for campaign contributions to support the Alessandri candidacy and both reported turning the request down as a matter of long standing policy.

Several of the bank witnesses said that, from their perspective, creating economic chaos would have been counterproductive. The banks had large amounts outstanding in loans to the Chilean Government, as well as to Chilean businessmen. Economic chaos might have meant that the loans could not have been repaid.

A number of bank witnesses said that in order to operate in a large number of countries around the world they have adopted strict policies of non-involvement in the political affairs of the countries where they do business. The bankers said they are located in countries with widely differing forms of government and widely differing political and economic systems. Involvement in host country politics would inevitably mean impairment of their ability to function.

The bank witnesses were unanimous in the view that the policy of non-involvement in host country politics is, in the long run, the best for business.

#### PART III. ALLENDE IN POWER

On October 18, Alessandri withdrew from the Congressional run-off and, in the October 24 Congressional election Salvador Allende received 153 of the 195 votes cast. He was sworn in as President of Chile on November 4, 1970.

#### *The Ad Hoc Committee on Chile*

In early 1971, I.T.T. began to follow a two-track strategy with respect to the Allende government. On the one hand, at the suggestion of Ralph Mecham, the Washington representative of the Anaconda Company, Mr. Merriam invited the Washington representatives of major U.S. companies having investments in Chile to form an Ad Hoc Committee on Chile. (Merriam testimony.) There were several meetings, the first of which took place in early January, 1971, in ITT's Washington offices. Representatives of Anaconda, Kennecott, Ralston Purina, Bank of America, Pfizer Chemical, and Grace and Company attended. (Merriam testimony.)

The purpose was described in a memorandum by Mr. Ronald Radatz, the Bank of America representative: "the thrust of the meeting was toward the application of pressure on the (U.S.) Government, wherever possible, to make it clear that a Chilean take-over would not be tolerated without serious repercussions following." "ITT," said the memo, "believes the place to apply pressure is through the office of Henry Kissinger." "That is what we have been doing for the last year or so," said Mr. Merriam. One purpose of the pressure, Mr. Merriam confirmed, was to get the U.S. Government to block loans to Chile

by institutions such as the World Bank and the Inter-American Development Bank. (Merriam testimony.) President Allende had not, at the time of the meeting, taken expropriatory action against any American concern.

Nevertheless, as explained by Merriam, the purpose of denying Chile credits in January 1971 was to produce economic problems for Chile. By confronting him with economic collapse, said Mr. Merriam, Dr. Allende could be made more willing to negotiate with ITT on terms satisfactory to the company. (Merriam testimony.)

The Anaconda Corporation may have shared this hard line approach toward Dr. Allende. Mr. Mecham, in reporting on the formation of the Ad Hoc group to Jay Parkinson, Chairman of the Board of Anaconda, noted that the purpose of the group was to "keep the pressure on Kissinger." (Mecham testimony.) The Ad Hoc Committee, Mecham testified, never considered the possibility that the application of such external economic pressure on Chile could, as Mr. Berrellez had warned in his cable of September 7, 1970, backfire and lead President Allende into a more aggressively anti-American posture. (Mecham testimony.)

William Foster, then the Washington representative of Ralston Purina Company, reported to his office in St. Louis on the first meeting of the Ad Hoc group and was directed not to attend any further meetings. (Foster testimony.) Ralston Purina was actively negotiating with the Chilean Government, saw a reasonable prospect of a satisfactory settlement and decided that participation in the Ad Hoc group would jeopardize the negotiations. Similarly, the Bank of America participated in two meetings to gather information but did not endorse an activist program because of its belief that a "hard line" position would compromise the banks' ability to negotiate. (Raddatz testimony.)

#### *The Company's Stake and Negotiations*

While Merriam was organizing the Ad Hoc Committee ITT was developing a strategy for negotiating with Allende. ITT's primary investment in Chile was a 70% interest in the Chilean telephone company (Chilteleco). The estimated book value of this ITT investment was placed at approximately \$153 million. The remaining 30% of Chilteleco was held by the Chilean Development Corporation (Corfo) and individual Chilean private investors. \$92.5 million of ITT's \$153 million interest in Chilteleco was covered by investment guaranty agreements administered by the Overseas Private Investment Corporation (OPIC) which provided insurance, among other things, against expropriation.

Allende first mentioned the possibility of nationalizing Chilteleco in a campaign speech of September 2, 1970. The eventual Chilean ownership of Chilteleco was fully anticipated by ITT executives. In addition to the Chilteleco property, ITT had other lesser holdings in Chile, including two hotels, a telephone directory book service and an international cable company. The estimated book value of ITT's investments in Chile, including Chilteleco, amounted to approximately \$160 million.

On October 20, 1970, Allende invited Benjamin Holmes, the Chilteleco local manager, to meet with him. At that meeting, Allende indicated that he had not definitely decided upon a course of action

with respect to Chitelco. (Appendix II.) Hence, there was reason to believe that negotiations were possible with Allende.

ITT had successfully negotiated the sale of telephone properties to the Peruvian Government by persuading that Government that a satisfactory agreement with ITT would demonstrate that it was not inherently hostile to foreign investments. ITT persuaded the Peruvian Government that it could then argue that its decision to expropriate, without compensation, the property of the International Petroleum Company (IPC), a wholly owned subsidiary of the Exxon Corporation, was a special case and not an indication of general financial irresponsibility.

Mr. Guilfoyle summed up the strategy in a July 9, 1971 note to the ITT Board:

When Allende signs the copper legislation and formally expropriates Anaconda and Kennecott, there must be increased international resentment against the Government of Chile, and, as in the case of Peru, on their expropriation of IPC, we were able to capitalize on this and eventually arrive at a deal which allowed them to announce internationally that copper and IPC were special cases and here is an arrangement we made in a reasonable negotiation with ITT. (Appendix II.)

Through Mr. Holmes, a meeting was arranged with Dr. Allende on March 10, 1971 in Santiago, Chile, which was attended by, among others, Messrs. Guilfoyle and Francis Dunleavy of the New York Headquarters. ITT's memorandum about the meeting, prepared by Mr. Hendrix, described it as cordial. President Allende informed ITT that he had not decided whether the Government would nationalize Chitelco or propose a joint venture with ITT. (Guilfoyle testimony.) Dunleavy told Allende that ITT was prepared to negotiate in good faith but that the day he "grabbed" the telephone company ITT would go to OPIC and invoke its investment guarantee agreement. (Guilfoyle testimony.)

On May 26, President Allende informed Mr. Guilfoyle that Chitelco would be nationalized and that a commission to be headed by the Minister of the Interior would negotiate the terms of compensation. ITT responded that the terms of the contract required Chile to pay ITT the full book value of its interest in Chitelco; i.e., \$153 million. The Chileans offered \$24 million for ITT's interest in Chitelco. They also proposed valuation by international arbitration, but they insisted as well that the Government take over the management of the company pending the arbitration. Guilfoyle, however, opposed government management of the company while the arbitration was under way because he feared that the value of the property would deteriorate under Chilean Government management. This first phase of negotiations thus ended in impasse.

#### *The October 1, 1971 Letter to Peterson*

On September 29, the Chilean Government took over the management of Chitelco, confiscating the books of the company. The government alleged that Chitelco was deliberately allowing service to deteriorate. ITT denied the allegations.

A number of Chitelco executives, all Chilean nationals, were arrested. The arrests were in connection with the activities of another ITT subsidiary which published telephone books.

Shortly after the intervention in Chiltelco by the Chilean Government, Mr. Merriam wrote to John Ehrlichman on the White House staff and requested a meeting for Mr. Geneen with Henry Kissinger and Peter Peterson, Assistant to the President for International Economic Affairs. A luncheon meeting was scheduled.

Because of the demands on Dr. Kissinger's time, General Haig, his deputy, joined Mr. Peterson at lunch with Mr. Geneen. Mr. Peterson testified that the luncheon meeting was brief and the discussion was a rather straightforward exposition of what had happened to the company in Chile. Mr. Peterson could not recall whether Mr. Geneen made specific suggestions but did remember Mr. Geneen saying he would send some ideas along.

Following the meeting, Mr. Geneen instructed Mr. Merriam to put ITT's suggestions in writing and forward them to Mr. Peterson. In response to the request, Merriam sent a letter to Peterson dated October 1, 1971, which had attached an 18-point action plan. Among other things the plan proposed the following specific measures to see to it that Allende would not "make it through the next six months": (Appendix III.)

Continue loan restrictions in the international banks such as those the Export/Import Bank has already exhibited.

Quietly have large U.S. private banks do the same.

Confer with foreign banking sources with the same thing in mind.

Delay buying from Chile over the next six months. Use U.S. copper stockpile instead of buying from Chile.

Bring about a scarcity of U.S. dollars in Chile.

Discuss with CIA how it can assist the six-month squeeze.

Get to reliable sources within the Chilean Military. Delay fuel delivery to Navy and gasoline to Air Force. (This would have to be carefully handled, otherwise would be dangerous. However, a false delay could build up their planned discontent against Allende, thus, bring about necessity of his removal.)

Help disrupt Allende's UNCTAD plans.

It is noted that Chile's annual exports to the U.S. are valued at \$154 million (U.S. dollars). As many U.S. markets as possible should be closed to Chile. Likewise, any U.S. exports of special importance to Allende should be delayed or stopped.

Thus, one year after Broe proposed a plan to accelerate economic chaos in Chile, Merriam on behalf of the company, was proposing to the President's Assistant for International Economic Policy a similar plan to exacerbate the Chilean economic situation. (Merriam testimony.) Peterson testified that he took no action to implement the Merriam plan. (Peterson testimony.)

In accordance with the company's usual distribution procedures, the Merriam letter and 18-point plan were distributed within the company. Neither Geneen nor Gerrity evidenced any disagreement with this plan to create economic chaos in Chile so as to prevent Allende from getting through the next six months.

#### *Publication of the Anderson Columns and the Break-Off of Negotiations*

In December 1971 negotiations were resumed between the company and the Allende Government. Allende agreed to move the locus of the negotiations from Santiago to Washington where they were to be conducted on behalf of the Chilean Government by Chile's Ambassador to the United States, Orlando Letelier. Letelier and Guilfoyle were

in active negotiations, according to Guilfoyle, pursuing the possibility of international appraisal of the company's assets, as a basis for determining compensation up until March 20, when Jack Anderson, syndicated columnist, published his first column dealing with ITT's activities in connection with Chile in the fall of 1970. Guilfoyle had been scheduled to meet with Letelier a few days after the publication of the Anderson column but that meeting was cancelled and the negotiations were broken off, following the public action of the Anderson columns. (Guilfoyle testimony; Geneen testimony.)

#### *The Board of Directors of ITT*

Felix Rohatyn testified that the Executive Committee of the Board of Directors, which is composed of the outside Directors including Rohatyn, was informed in April 1972, of McCone's and Geneen's 1970 offer of funds to the CIA, but had no knowledge of these fund offers at the time they were made. (Rohatyn testimony.) The Board's concern was whether the assets of ITT were likely to be depleted as a result of the actions of the management and McCone in connection with Chile. Opinion of outside counsel was obtained that the OPIC guarantees had not been jeopardized. No other investigation was undertaken as to the propriety of management's action. (Rohatyn testimony.)

#### C. CONCLUSIONS

##### In summary:

- On July 16, 1970, Geneen offered a substantial fund to the CIA to be used to support the conservative candidate Alessandri in the Chilean election of September 4, 1970. This offer was turned down, just as the CIA had rejected an offer of assistance made by ITT in connection with the 1964 Chilean election.
- In early September, 1970, McCone supported Geneen's offer of a \$1 million fund in support of any U.S. Government plan designed to form a coalition in the Chilean Congress to prevent Allende from becoming president, and, at Geneen's request, communicated this offer to Kissinger and Helms.
- On September 13, 1970, Berrellez offered support, financial or otherwise, in Santiago to the key advisor of one of the principal political figures in Chile.
- On September 23, 1970, Goodrich urged the USIA to circulate throughout Latin America the editorials of an anti-Allende Chilean newspaper.
- Throughout September and October, 1970, Merriam provided Broe with, and received in return, detailed political intelligence in connection with Chile.
- Geneen, Gerrity and McCone, considering a plan proposed to them by the CIA on September 29, 1970, to create economic chaos in Chile but rejected it because they thought it "unworkable".
- In January, 1971, before there had been expropriation of the company's property, Merriam encouraged other American companies to form an Ad-Hoc Committee on Chile for the express purpose of "pressuring Kissinger and the White House".
- Early in 1971 negotiations were undertaken with a view to convincing Allende that if he made a deal with ITT he could confiscate with impunity other U.S. companies in Chile.

• At the end of September, 1971, when negotiations seemed to have failed, and the Chilean Government moved to take over management of Chiltelco, Merriam proposed to Peter Peterson, then Special Assistant to the President, an 18-point plan designed to insure that Allende "does not get through the next six months". Peterson never acted upon this plan.

The attitude of the company perhaps was best summed up by Gerity when he asked, "What's wrong with taking care of No. 1?" The Subcommittee limits its comments on this statement to the observation that "No. 1" should not be allowed an undue role in determining U.S. foreign policy and the Subcommittee will conclude with specific legislative recommendations on this point.

In order to appreciate the full meaning of ITT's activities, one need only consider the reaction in this country in circumstances similar to those prevailing in Chile.

Senator Church put the issue when he posed the following hypothetical situation to Mr. McCone:

Suppose we had an election in this country and the candidate receiving the largest number of votes fails to get either a majority of the popular vote or the electoral vote, with the result that the selection of the next President under our Constitution falls to the House of Representatives. Suppose, further, that the candidate getting the largest number of votes is one who has strongly favored very restrictive policies against foreign investment in the United States. Now we have a somewhat similar situation procedurally to that in Chile. The Congress of the United States is to make the choice of the next President. There is an interval between the popular election and the time that the Congress decides. Suppose British Petroleum, feeling that these restrictive policies will be inimical to its own interests in the United States, goes to the British Government and says, "If you can design a plan that will prevent this American candidate who received the most number of votes from being selected by the Congress, we are prepared to help support or finance that plan up to seven figures."

In response to Senator Church's question as to whether that would be an appropriate political action for a British company to take under these circumstances, Mr. McCone responded: "I would personally be very distressed if the British Government or any other government attempted to influence the Congress of the United States in their responsibility to select a President. . . . I would be even more distressed if I learned that any corporation offered to support political action on the part of a foreign government." (McCone testimony.)

In the Chilean case, the consequences of ITT's proposed intervention in the Chilean electoral process could have been particularly severe. The company executives in New York City were warned by Berrellez, their top political reporter in Santiago, that support of the so-called "Alessandri formula" would result in bloodshed and near civil war, and that the application of external economic and political pressure would strengthen the hands of left wing extremists and convert Allende, whom Berrellez considered "a soft-lining Marxist", into an anti-American demagogue.

This is not to say that there was no reason for concern on the company's part over the fate of its investments in Chile. The company stake was large—investments of \$160 million, book value, of which approximately \$100 million was covered by OPIC investment guarantees. Allende was a dedicated Marxist, a member of the Socialist Party for 30 years. His electoral platform and public statements contemplated

nationalization of Chiltelco. Whether compensation would be paid, or, if paid, whether such compensation would be adequate, was not clear from his utterances. So the company's concern was perfectly understandable.

So, too, was its desire to communicate that concern to the appropriate officials of the U.S. Government and to seek their judgment as to how the United States would view the possible eventuality of a seizure of company property without adequate compensation. It is also understandable that the company would wish to have the U.S. Government's assessment of the likelihood of an Allende victory, so that it could plan for such an eventuality in terms of negotiations, investment strategy, and corporate profitability targets.

But what is not to be condoned is that the highest officials of the ITT sought to engage the CIA in a plan covertly to manipulate the outcome of the Chilean presidential election. In so doing the company overstepped the line of acceptable corporate behavior. If ITT's actions in seeking to enlist the CIA for its purposes with respect to Chile were to be sanctioned as normal and acceptable, no country would welcome the presence of multinational corporations. Over every dispute or potential dispute between a company and a host government in connection with a corporation's investment interests, there would hang the spectre of foreign intervention. No sovereign nation would be willing to accept that possibility as the price of permitting foreign corporations to invest in its territory. The pressures which the company sought to bring to bear on the U.S. Government for CIA intervention are thus incompatible with the long-term existence of multinational corporations; they are also incompatible with the formulation of U.S. foreign policy in accordance with U.S. national, rather than private interests.

We hold no brief for President Allende's decision, in effect, to expropriate the property of U.S. owned corporations without adequate compensation. On the contrary, we condemn it. There should be no doubt in anyone's mind that this Subcommittee does not countenance the taking of the property of U.S. nationals without the payment of reasonable compensation. We consider that realistic negotiations, in good faith, over the amount of compensation to be paid for expropriated properties are essential to the maintenance of a healthy and constructive relationship between the United States and countries in which disputes arise over the property interests of U.S.-owned corporations.

#### *The OPIC Guarantee*

The Overseas Private Investment Corporation (OPIC) had a commitment in Chile of close to \$500 million in investment guarantees against expropriation issued to American corporations with investments in that country. As previously noted, ITT's total investment in Chile amounted to a book value of \$160 million of which approximately \$100 million was covered by expropriation guarantees; thus, nearly two-thirds of ITT's total property interest in Chile was covered. Other large holders of such policies were the major U.S.-owned copper companies: Anaconda, Kennecott, and Cerro de Pasco.

The existence of OPIC guarantees did not deter ITT from seeking to influence the U.S. Government to intervene in the Chilean elections

so as to preserve its property interests. On the contrary, the existence of the OPIC guarantees was used by McCone in his conversations with Helms as an argument, among others, for U.S. intervention in Chile: if OPIC had to compensate the companies under the guarantees, so the argument went, the cost would ultimately be borne by the U.S. taxpayer, since OPIC lacked adequate reserves to meet these potential liabilities.

Similarly, Ambassador Korry testified that in his post-September 4 election assessment for the Department of State, in which he noted that an Allende Government would not be in the U.S. national interest, he, too, used as one reason the potential cost to the U.S. taxpayer resulting from the OPIC exposure. Thus, at least in the case of Chile, OPIC insurance became an argument for American intervention "to protect the taxpayer."

The Subcommittee believes that this effect of OPIC insurance was not foreseen at the time the program was enacted. This issue, among others, will be considered in the Subcommittee's hearings on OPIC.

#### *U.S. Government Policy*

Mr. Broe arranged to meet with Mr. Gerrity in the ITT Headquarters in New York City on September 29, 1970. At that meeting Mr. Broe proposed a plan to Mr. Gerrity designed to create or accelerate economic chaos in Chile for the purpose of putting pressure on a number of Christian Democratic Congressmen to vote against Allende. Mr. Broe met with Mr. Gerrity and made his proposal with the express approval of Helms, the Director of the CIA.

Assistant Secretary of State Meyer attempted to explain Mr. Broe's proposal as merely an exploration of the feasibility of a possible policy option in connection with Chile which, he maintained, did not in itself constitute a change in policy. This explanation of Mr. Broe's proposal is weak. Even if we were to accept Mr. Meyer's theory that Mr. Broe's proposal was exploratory in nature, such an exploration, in and of itself, would indicate a major change in U.S. policy was under active consideration. Mr. Meyer testified that the pre-September 4 policy of the U.S. Government was to consider the popular election as an internal Chilean matter, which was to be allowed to run its course without interference from the United States. A decision actively to explore the feasibility of intervening in the Chilean electoral process so as to affect the outcome of the Chilean Congressional election of October 24, and deny Dr. Allende the presidency cannot be reconciled with this pre-September 4 policy, as stated to the Committee. On its face, Broe's proposal to Gerrity was a plan of action for specific concrete acts—stopping shipment of spare parts, cutting off credits, slowing down payments—and was so understood by Gerrity.

The record of the hearings calls into question the Administration's stated policy that it was willing to live with a "community of diversity in Latin America: we deal with governments as they are. Our relations depend not on their internal structures or social systems, but on acts which affect us in the inter-American system." (U.S. FOREIGN POLICY FOR THE 1970'S, A REPORT TO THE CONGRESS by Richard Nixon, President of the United States, February 25, 1971, page 53.) A com-

mitment to this policy would have been more convincingly evidenced by a willingness on the part of the State Department fully to disclose the content of the instructions which were communicated to the U.S. Embassy in Santiago.

*The Forty Committee, Clandestine Operations of the CIA, and Multinational Corporations*

The "Forty Committee" is the colloquial designation, taken from the serial number of the National Security Council document creating it, for the interdepartmental group within the executive branch which reviews clandestine operations of the CIA. The group is chaired by the Special Assistant to the President for National Security Affairs, Dr. Kissinger, and its members include the Deputy Secretary of Defense, the Under Secretary of State, the Director of Central Intelligence, and usually the Attorney General.

There are questions of concern in connection with the operations of the "Forty Committee" which bear directly upon this case. With what detail are instructions of the "Forty Committee" communicated to the CIA? Is the "Forty Committee" informed in advance of the modalities which the Agency contemplates using in carrying out an assignment? Specifically, in this case, was it informed by the CIA that in carrying out a mandate to explore means of influencing the political situation in Chile, use of U.S. companies was contemplated and specific proposals were being made to a particular corporation? Was the benefit to be potentially gained weighed against its overall negative consequences for U.S. business abroad by the "Forty Committee." Or was Helms merely given a general indication of what was desired, to be implemented as he saw fit?

It is clear from this case that there were significant adverse consequences for U.S. corporations which arose out of the decision to use ITT in the way it was used—willing as ITT may have been—and that it was not in the best interests of the U.S. business community for the CIA to attempt to use a U.S. corporation to influence the political situation in Chile.

There are further considerations which arise. Did the "Forty Committee" consider the consequences which would have ensued in the event that the plan to create or accelerate economic chaos in Chile had been successful? It had been the custom in Chile for the Congress to confirm as president the winner of a plurality in the popular election. There was ample evidence that an attempt to interfere with this custom would have lead to bloodshed, and possibly, civil war. (Appendix II.) There were also substantial doubts with respect to the capacity of the Chilean military to cope with this situation. (Appendix II.) Did the members of the "Forty Committee" adequately consider the possibility that, once having launched the U.S. down the road of covert intervention, other, more direct, measures might have become necessary to insure the desired result: stopping Allende from becoming President of Chile?

The Subcommittee thinks the time is ripe for an in-depth review by the appropriate congressional committees, of the decisionmaking process in the authorization and conduct of CIA clandestine operations.

F B I

Date:

Transmit the following in \_\_\_\_\_  
(Type in plaintext or code)Via Airtel \_\_\_\_\_  
(Priority)

TO: ACTING DIRECTOR, FBI

FROM: SAC, WFO (161-9073) (P)

JOHN ALEX MC CONE  
SPI  
BUDED 7/3/73

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 3-22-02 BY SP4 BJA/DFW

II 432859

Re WFO airtel, 7/5/73.

Attached herewith is a copy of the testimony of JOHN MC CONE before the Committee on Foreign Relations, U.S. Senate, Subcommittee on Multinational Corporations.

Also enclosed is a final report which contains a summary of the above matter with its conclusions.

WFO: Will report IRS upon availability.

ENCLOSURE

ENCLOSURE ATTACHED

cc:

① - Bureau  
1 - WFO  
EWM A-2

7/10/73  
1 cc of testimony to Mr. White  
1 cc of summary to Mr. White  
1 cc attached to yellow / summary

161-1709-119

NOT RECORDED

9 AUG 15 1973

70 AUG 23 1973

Approved: \_\_\_\_\_

Special Agent in Charge

Sent \_\_\_\_\_ M Per \_\_\_\_\_



UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY  
WASHINGTON, D.C. 20451

May 30, 1974

Dear Miss Dannenhauer:

Subjects: Harold Melvin Agnew  
Gordon Allott  
Edward Clark  
Lane Kirkland  
John A. McCone  
Carl M. Marcey  
Joseph Martin, Jr.  
Gerard C. Smith

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-22-02 BY SP4BJA/OFW  
# 432859

The President has announced his intention to nominate the above-named individuals as Members of the General Advisory Committee of the U. S. Arms Control and Disarmament Agency.

This is to request that the Federal Bureau of Investigation be authorized to release any investigative reports on these individuals to the Arms Control and Disarmament Agency.

Sincerely,

*H. Keith Reinecker*  
H. Keith Reinecker  
Security Officer

*Rec'd 6/14/74  
SI May*  
Letters -  
8/2/73 with encl.  
7/18/73  
7/11/73  
11/17/61  
11/2/61  
6/30/58  
6/24/58

Summaries  
7/10/73 with encl.  
11/2/61  
6/30/58 with encl.  
6/24/58 with LA rept.  
6/12/58  
5/5/54

161-1709-120

Letters and summary memoranda containing the results of investigations conducted concerning Mr. McCone were furnished to ACDA on 6/18/74.

Miss Jane Dannenhauer,  
The White House,  
Room 43,  
Old Executive Office Building,  
Washington, D. C.

AUTHORIZATION TO RELEASE

JUN 26 1974  
JAN DANNENHAUER  
WHITE HOUSE SECURITY OFFICE

per telephone conversation

161-1709  
File  
908A/may

- 1 - Mr. V. V. Kolombatovic  
(Attn.: V. H. Weimar)  
1 - Mr. W. N. Freusse

BY LIAISON

Date: July 14, 1976  
To: Director  
Central Intelligence Agency  
Attention: Robert Gambino  
Director of Security  
From: Clarence M. Kelley, Director  
Subject: SYMBIONESE LIBERATION ARMY (SLA)  
INTERNAL SECURITY

Reference is made to letter of Sidney D. Stenbridge, Acting Director of Security, dated June 10, 1976, wherein he advised that Mr. John McCone, the former Director of the Central Intelligence Agency, was desirous of being contacted by a representative of the FBI concerning threats made against him by SLA members in 1974-75.

Mr. McCone was contacted by an FBI Agent on June 25, 1976, concerning an assassination plot against him by SLA associates Michael A. Portin and Patricia Jean McCarthy. It should be noted that the original source of this information was Patricia Hearst and this information had previously been made available to International Telephone and Telegraph from whom Mr. McCone received it.

Mr. McCone was most appreciative of the full facts as furnished him and noted the original information had been embellished.

Assoc. Dir. \_\_\_\_\_ WNP:lm  
Dep. AD Adm. \_\_\_\_\_ (5)  
Dep. AD Inv. \_\_\_\_\_  
Asst. Dir.:  
Adm. Serv. \_\_\_\_\_ NOTE:  
Ext. Affairs \_\_\_\_\_  
Fin. & Pers. \_\_\_\_\_  
Gen. Inv. \_\_\_\_\_  
Ident. \_\_\_\_\_  
Insp. \_\_\_\_\_  
Intell. \_\_\_\_\_  
Laboratory \_\_\_\_\_  
Legal Coun. \_\_\_\_\_  
Plan. & Eval. \_\_\_\_\_  
Rec. Mgnt. \_\_\_\_\_  
Spec. Inv. \_\_\_\_\_  
Training \_\_\_\_\_  
Telephone Rm. \_\_\_\_\_  
Director Sec'y \_\_\_\_\_

161-1709-121  
NOT RECORDED  
165 JUL 28 1976  
CIA let 7/10/80  
SP5RB/CN 8/5/80

Mr. McCone, in early June, 1976, met with current Director of CIA at which time he furnished him data on SLA, primarily that which concerned an assassination plot against him. Mr. McCone had received this information from ITT. He

NOTE CONTAINED PAGE TWO

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 8/5/80 BY SP-5 RB/cn

57 AUG 9 1976

ORIGINAL FILED IN 157-30832-582

Director  
Central Intelligence Agency

NOTE CONTINUED:

is on Board of Directors of ITT. He requested to be interviewed by FBI concerning this matter. CIA referred this to us and at request of CIA we are advising that Agency that interview has been handled.

|                  |                      |                   |
|------------------|----------------------|-------------------|
| APPROVED: _____  | Ext. Affairs.....    | Laboratory.....   |
| Assoc. Dir.....  | Fin. & Pers.....     | Legal Coun.....   |
| Dep. AD Adm..... | Con. Inv.....        | Plan. & Eval..... |
| Dep. AD Inv..... | Ident.....           | Rec. Mgmt.....    |
| Ast. Dir.:       | Inspection.....      | Spec. Inv.....    |
| Adm. Serv.....   | Intell. <i>tw/ky</i> | Training.....     |